

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00am, Thursday 23 March 2017**

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 Deputation Request from UNISION in relation to Items 7.3, 7.6 and 7.14 on the agenda (circulated)

## **4. Minutes**

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- 4.1 Minutes of the Meeting of 23 February 2017 (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 Whistleblowing Policy – report by the Chief Executive (circulated)
- 7.3 Approved 2017/18 – 2020/21 Revenue Budget and 2017/18 – 2021 Capital Investment Programmes – Plans for Supplementary Investment – report by the Acting Executive Director of Resources (circulated)
- 7.4 Report by the Accounts Commission - Local Government in Scotland: Performance and Challenges 2017 – joint report by the Chief Executive the Acting Executive Director of Resources (circulated)
- 7.5 Provision of Internal Support Services to the Edinburgh Integration Joint Board –

report by the Acting Executive Director of Resources (circulated)

- 7.6 Health and Safety Performance 2016 – report by the Acting Executive Director of Resources (circulated)
- 7.7 Contracts Awarded under Delegated Authority (Waiver Reports) and Contract Management Waiver Update – report by the Acting Executive Director of Resources (circulated)
- 7.8 Award of Postal Services Framework – report by the Acting Executive Director of Resources (circulated)
- 7.9 Workplace Travel Planning Consultants – Award of Contract – report by the Executive Director of Place (circulated)
- 7.10 BEMS Installation Framework Agreement – Award under Delegated Authority – report by the Acting Executive Director of Resources (circulated)
- 7.11 21<sup>st</sup> Century Homes Small Sites Programme – Delivery Update – report by the Executive Director of Place (circulated)
- 7.12 Strategy – Accelerating Housing Delivery and Brownfield Regeneration – joint report by the Acting Executive Director of Resources and the Executive Director of Place (circulated)
- 7.13 Hunters Hall Project – referral report from the Culture and Sport Committee (circulated)
- 7.14 Waverley Court – Proposed Licence to CGI – report by the Acting Executive Director of Resources (circulated)
- 7.15 Procurement of Vehicle Telematics System – report by the Executive Director of Place (circulated)
- 7.16 Removing Barriers to Fish Passage on the River Almond – report by the Executive Director of Place (circulated)
- 7.17 King’s Theatre Capital Development Project - referral report from the Culture and Sport Committee (circulated)
- 7.18 Committee Decisions August 2016 – February 2017 – report by the Chief Executive (circulated)

## **8. Routine decisions**

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- 8.1 Summary Report on Property Transactions concluded under Delegated Authority – report by the Acting Executive Director of Resources (circulated)
- 8.2 Proposed Lease of vacant and derelict public toilets in Roseburn Park to Friends of Roseburn Park – report by the Acting Executive Director of Resources (circulated)
- 8.3 Proposed New Lease at 71/73 York Place, Edinburgh – report by the Acting Executive Director of Resources (circulated)
- 8.4 Land at Pilton Drive – Proposed Disposal – report by the Acting Executive Director of Resources (circulated)
- 8.5 Port Edgar Marina – Proposed Lease Variation – report by the Acting Executive Director of Resources (circulated)
- 8.6 Proposed New Lease at Gorgie City Farm, Edinburgh – report by the Acting Executive Director of Resources (circulated)

## **9. Motions**

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- 9.1 If any

### **Laurence Rockey**

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.

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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) .

**From:** Monica Niven

**Sent:** 20 March 2017 11:11

**To:** Veronica Macmillan; Aileen McGregor

**Subject:** DEPUTATION - FINANCE AND RESOURCE COMMITTEE MEETING - 23rd MARCH 2017

Dear Veronica/Aileen

UNISON would wish to make representation to the Finance and Resource Committee Meeting scheduled on Thursday 23<sup>rd</sup> March 2017 on the following agenda items:

- 7.3 Approved 2017/18 – 2020/21 Revenue Budget and 2017/18 – 2021 Capital Investment Programmes – Plans for Supplementary Investment
- 7.6 Health and Safety Performance 2016
- 7.14 Waverley Court – Proposed Licence to CGI

The names of our representation will be sent to you shortly.

Should you require any further details please contact me at the UNISON Branch Office

**Monica Niven**  
**Branch Support Officer**  
**UNISON City of Edinburgh Branch**

# Item 4.1 - Minutes

## Finance and Resources Committee

10.00am, Thursday 23 February 2017

### Present

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

### 1. Deputation: Save Porty Fives Campaign

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The Committee agreed to hear a deputation from Mary Campbell and Mike Livesley from the Save Porty Fives Campaign, in relation to concerns about the sale of the Powerleague site in Portobello.

The deputation thanked the Committee for hearing them and explained that this matter had only come to their attention although they acknowledged that the matter had been under consideration since Autumn 2015.

The main points raised by the deputation were:

- Those campaigning were concerned at the loss of what they perceived to be a well used local facility and were dismayed with the description of the site as an ageing facility and surplus land.
- The deputation were concerned that there had been no notification of the closure of the facility.
- The deputation argued that part of the attraction of Portobello was that it had a lot of leisure facilities. The site was formerly the Portobello outside swimming pool and the football pitches.
- Planning permission for housing adjacent to the site included a description of the facility, and it was felt that the amenity as described for these houses was now inaccurate.
- Mike Livesley spoke as a weekly user of the pitches and praised the facility as one of the best in this area of the city and a better option than the pitches available for hire at Portobello. Mr Livesley described the facility as having eight pitches that were in excellent condition, with high fences which kept the balls in the field of play.

- There was concern that those who currently played football at the site would no longer be able to continue when the site was closed. Enquiries had been made to find alternatives but it was clear that demand outstripped supply for this type of facility.
- The deputation advised the Committee that they had put out a petition which has received around a thousand signatures.

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

The Head of Corporate Property responded to the points made, as follows:

- The Council had no policy or procedure to consult on the sale of property in their investment portfolio. Consultation would only be undertaken if there was a statutory requirement i.e in the case of schools, libraries, community centres, which were within the Council's operational portfolio.
- The site was originally marketed for sale in 2004, and initially there were a number of bids from mainstream house builders which were under consideration, however at that time the recession took hold and resulted in those offers being diminished or withdrawn.
- It was confirmed that the facility was no longer suitable for the leaseholder's (Powerleague) business purposes and that they wished to look at alternative sites within East Edinburgh.
- The deputation were advised that viability of the business was a matter for the leaseholder (Powerleague) who were a commercial company who had chosen not to continue with this lease. It was confirmed that it was the leaseholder who had approached the Council regarding the termination of the lease, the Council did not approach the leaseholder.
- The capital receipt for the sale of the site was included in a funding package for the new sports centre to be built on the Meadowbank site. This was a significant sporting venue for residents across Edinburgh and any erosion of the funding could jeopardise the project going ahead.
- There had been no suggestion from the Council that Powerleague could operate from Meadowbank as a commercial business and that there would not be any plans to do so. Powerleague was currently looking at two possible sites for relocation in Edinburgh, no further details could be disclosed at this time due to commercial sensitivity.

## 2. Minutes

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### Decision

To approve the minute of the Finance and Resources Committee meeting of 19 January 2017 as a correct record.



### 3. Key Decisions Forward Plan

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The Finance and Resources Committee Key Decisions Forward Plan from 23 February - 23 March 2017 was submitted.

#### Decision

To note the Key Decisions Forward Plan from 23 February – 23 March 2017.

(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 19 January 2017 was submitted.

#### Decision

To note that items 4, 5, 8 and 9 were closed.

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

### 5. Transformation Programme: Progress Update

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An update report was provided on the Council Transformation Programme including details on progress with organisational reviews, key programme workstreams, the implementation of the localities model and the revised savings target for the programme and also set out progress in developing an ongoing programme of transformational change across the Council.

#### Decision

- 1) To note the revised transformation programme savings target, as detailed in paragraph 3.3 of the report.
- 2) To note the workstream updates as detailed in the report.
- 3) To note that there was a separate update report elsewhere on the agenda that provided details of progress with the Asset Management Strategy.
- 4) To note the progress with the implementation of the localities model.
- 5) To note the plans for the development of future transformational change within the Council.
- 6) To note the management information dashboards for the period 14 February 2017 attached at Appendix 1 to the report.
- 7) To agree that a separate report on the progress of the implementation of the localities model would be submitted to a future Committee.

(References – Finance and Resources Committee, 1 December 2016 (item 6), report by the Chief Executive, submitted.)

## 6. Asset Management Strategy Transformation Programme - Update

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The Committee considered a progress report on 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 Management Information dashboard reports provided in Appendix 1 to the report.

(References – Finance and Resources Committee, 1 December 2017 (item 7), report by the Acting Executive Director of Resources, submitted.)

## 7. Governance of Major Projects: Progress Report

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An update report was provided of 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 to the report.
- 2) To agree the proposed future portfolio dashboard reporting matrix outlined in Appendix 3 to the report.
- 3) To note the outcome and recommendations of new Boroughmuir High School assurance review set out in paragraphs 3.3, 3.4 and 3.5 of the report.
- 4) To agree the assurance review schedule for Q4 2016/17 and Q1 2017/18 detailed in Appendix 2 to the report.

(References – Governance, Risk and Best Value Committee, 24 October 2016 (item 9); report by the Chief Executive, submitted.)

## 8. Strategic Direction for Tackling Homelessness in Edinburgh

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Details were provided on plans to integrate a range of activity to tackle homelessness in the city and to create a comprehensive strategy to coordinate the varied work that was underway including information on demand, future delivery options and changes to funding arrangements and an update on the implementation of the Homelessness Prevention Commissioning Plan (the Plan).

### Decision

- 1) To note the current demand for homelessness services, including temporary accommodation.
- 2) To note the potential loss of income to the Council, following welfare benefit changes.

- 3) To note the potential impact of Department of Work and Pensions (DWP) changes to the benefit system on people who were homeless and/or dependent on welfare benefits.
- 4) To note progress towards the delivery of the commissioning plan for homelessness services and the further development required to ensure this work continued to fit with the Council's strategic intentions.
- 5) To approve the extension of three contracts from the Crisis and Complex work stream, as detailed in Appendix 1 to the report, to 31 March 2018, with a maximum value of £1,100,000.
- 6) To approve the extension of six contracts from the Young People's Visiting Support Services, as detailed in Appendix 1 to the report, to 31 March 2018 with a maximum value of £340,000.
- 7) To approve the extension of six contracts from the Young People's Accommodation Service work stream, as detailed in Appendix 1 to the report, to 31 March 2019 with a maximum value of £1,300,000.
- 8) To approve the extension of 26 contracts from the Temporary Accommodation – Housing Support and Temporary Accommodation – Housing Management work streams as detailed in Appendix 2 to the report, to 31 March 2019 with a maximum value of £8,000,000.
- 9) To approve the extension of 16 contracts from the Older People's Service work stream, as detailed in Appendix 2 to the report, to 31 March 2018 with a maximum value of £1,200,000.
- 10) To approve the extension of one contract from the Resettlement work stream, as detailed in Appendix 2 to the report, to 31 March 2018 with a maximum value of £250,000.
- 11) To note that all contract extensions would include an appropriate break clause to give notice in the event of changes negotiated with providers, procurement and savings requirements.
- 12) The note that a report on the feasibility of revising the strategy to shorten the period of contract extensions would be provided to a future Committee.

(References – Finance and Resources Committee, 13 May 2015 (item 23); report by the Head of Safer and Stronger Communities /Chief Social Worker, submitted.)

### **Declaration of Interest**

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

## **9. Council People Strategy and People Plan 2017 - 2020**

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Details were provided of the new Council People Strategy and Plan through to 2020 which described the people opportunities and challenges the Council faced over the short, medium and long term, and set out the key strategic themes which would need to be addressed in order to deliver on commitments

## **Decision**

- 1) To note the progress to date since previous update to Committee in March 2015.
- 2) To approve the Council's People Strategy outlined in Appendix 1 to the report.
- 3) To refer the report to the Corporate, Policy and Strategy Committee for noting.

(References – Finance and Resources Committee, 19 January 2017 (item 16); report by the Acting Executive Director of Resources, submitted.)

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

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Committee considered a report that provided monitoring information to 17 February 2017 on the number of employees exiting the organisation through voluntary severance arrangements, associated annualised costs, the number of staff accessing support from the 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.

## **Decision**

To note progress made to date.

(References – Finance and Resources Committee, 19 January 2017 (item 16); report by the Acting Executive Director of Resources, submitted.)

## **11. Annual Workforce Controls Report**

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Details were provided of the key findings from workforce metrics across all current Service Areas in the City of Edinburgh Council.

## **Decision**

- 1) To note progress made to date.
- 2) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

(References – Finance and Resources Committee, 14 January 2016 (item 6); report by the Acting Executive of Resources, submitted.)

## **12. Re-employment and Re-engagement of Staff**

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Committee considered a report that provided an analysis of the situation to date on the numbers of staff who had left the Council and applied or returned within the one year time bar.

## **Decision**

To note the report.

(References – Finance and Resources Committee, 3 November 2016 (item 31); report by the Acting Executive Director of Resources, submitted.)

### **13. Annual Treasury Strategy 2017/18**

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Details were provided of a proposed Treasury Management Strategy for the Council for 2017/18 including an Annual Investment Strategy and a Debt Management Strategy.

#### **Decision**

- 1) To note the Treasury Management Strategy for 2017/18.
- 2) To refer the report to Council for approval of the Treasury Strategy and remit to the Governance, Risk and Best Value Committee for scrutiny.

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

### **14. Winding Up of Usher Hall Charitable Trust**

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Approval was sought for the formal winding up of the Usher Hall Charitable Trust and the transfer of the remaining assets to the Usher Hall to contribute to the purchase cost of its new grand piano.

#### **Decision**

- 1) To approve the use of the remaining funds of the Usher Hall Trust to contribute to the purchase cost of the new grand piano at the Usher Hall.
- 2) To approve the formal winding up of the Usher Hall Trust.

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

### **15. Redhall House and Grounds, 7 Redhall House Drive, Edinburgh – Update Report**

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An update on the planning application process for Redhall House and Grounds was provided.

#### **Decision**

- 1) To note the outcome of the planning process.
- 2) To note the intention of the owner to submit a revised application that would take the comments of the Reporter into consideration.

(References – Finance and Resources Committee, 29 October 2015 (item 15); report by the Acting Executive Director of Resources, submitted.)

### **16. Lothian Chambers and 329 High Street – Proposed Office Rationalisation – Referral from the Economy Committee**

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The Economy Committee on 7 February 2017 approved the disposal of Lothian Chambers and the seven storey property at 329 High Street by way of a lease on a direct negotiated basis and referred the decision to the Finance and Resources Committee for ratification.

## **Decision**

To ratify the decision of the Economy Committee to dispose of both properties at Lothian Chambers and 329 High Street by way of a lease on a direct negotiated basis.

(References – Finance and Resources Committee 24 September 2015 (Item 2(b)); Economy Committee 7 February 2017 (item 8); report by the Acting Executive Director of Resources, submitted.)

## **17. Common Good Register**

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A bi-annual update report was provided which detailed the current position of the Common Good Register.

### **Decision**

- 1) To note the report.
- 2) To note that further reports would be brought to Committee on a bi-annual basis.

(References – Act of Council (No.10), 2 June 2016; Finance and Resources Committee, 18 August 2016 (item 18); report by the Acting Executive Director of Resources, submitted.)

## **18. Contract Award for the Supply of Domestic Furniture, Furnishings and White Goods**

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Approval was sought to award a contract to The Furnishing Service (TFS) for the supply, distribution and installation of domestic furniture, furnishings and white goods from 1 March 2017.

### **Decision**

To approve the award of a contract to The Furnishing Service (TFS) for the supply, distribution and installation of Domestic Furniture, Furnishings and White Goods from 1 March 2017 until 31 October 2018 with the Council's option to extend for up to two years.

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

## **19. Edinburgh Tram Extension and Leith Programme – Award of Contracts under Delegated Authority**

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Details were provided of the procurement processes undertaken, the outcome of the processes and the appointments made subsequently to the approval given by Full Council in December 2015 to commence a number of activities to progress the development of a tram extension from Newhaven to Leith.

### **Decision**

- 1) To note the outcome of the procurement process for Technical Advisor for the Edinburgh Tram Extension and subsequent award to Atkins Ltd for a contract award value of £449,710.

- 2) To note the outcome of the procurement process for Project and Commercial Manager for the Edinburgh Tram Extension and subsequent award to Turner and Townsend Ltd for a contract award value of £617,705.
- 3) To note the outcome of the procurement process for Legal Adviser for the Edinburgh Tram Extension and subsequent award to Ashurt LLP for a contract award value of £118,872.
- 4) To note that the award of the contracts was undertaken by the Chief Executive, under the Council's Scheme of Delegation, in consultation with the Convener and Vice Convener of the Finance and Resources Committee.

(References – Act of Council (No. 5), 10 December 2015; report by the Executive Director of Place, submitted.)

## **20. Approval to Extend the Contract for Cycle Design Schemes**

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Approval was sought for a contract extension for designing cycling schemes to the consultancy AECOM of £158,678 to allow the completion of the design of schemes to be carried through to construction in 2017/18.

### **Decision**

To approve the award of the contract extension for Cycle Design Schemes to AECOM for up to a value of £158,678.

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

## **21. Proposed Sale of Land at Niddrie Mains, Edinburgh, for Zero Waste Substation**

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Approval was sought for the disposal of 50.24 sq m (541 sq ft) of land in Niddrie Mains to an adjacent proprietor, Scottish Power Distribution PLC. The area of land formed a narrow strip along the edge of an existing electricity substation.

### **Decision**

To approve the sale of land to Scottish Power Distribution PLC 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.)

## **22. Disposal of Housing Revenue Account Land Adjacent to 24 Featherhall Avenue, Edinburgh**

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Approval was sought for the disposal of approximately 214 sq m of land on the corner of Featherhall Avenue to the proprietor of the adjacent nursery, Miss Chelsea Black.

The land was declared surplus to the Council's operational requirements in October 2013 and had provided the nursery with an entrance pathway since it opened in 2014.

### **Decision**

To approve the sale of the land at Featherhall Avenue to Miss Chelsea Black under the terms and conditions outlined in the report and on such other terms and conditions to be agreed by the Acting Executive Director of Resources.

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

### **23. Minute of Amendment of Servitude – Davidson’s Mains Park – Gas Mains Diversion**

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Approval was sought to the grant of a Minute of Amendment to the existing servitude to Scottish Gas Networks (SGN) in relation to a gas main located in Davidson’s Mains Park.

#### **Decision**

To approve the grant of a Minute of Amendment to the existing servitude to Scottish Gas Networks (SGN) on the terms outlined in the report and on such 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. Priestfield Tennis and Sports Association – Proposal for New Lease**

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Approval was sought to renew the lease for tennis courts and pavilion facilities at Kirkhill Road to the Trustees of the Priestfield Tennis and Sports Association (PTSA) for 25 years at a market rent of £2,250 per annum.

#### **Decision**

To approve the grant of a new lease of the tennis courts and pavilion facilities at Kirkhill Road to the Trustees of the Priestfield Tennis and Sports Association (PTSA) on the terms outlined in the report, and on such other terms and conditions to be agreed by the Acting Executive Director Resources.

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

### **25. Proposed Lease Extension at Thistle Lawn Tennis Club, Katesmill Road, Edinburgh**

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Approval was sought for approval of a 14 year lease extension to Thistle Lawn Tennis club to the area of ground at Katesmill Road to allow the undertaking of approximately £160,000 improvement works to the site.

#### **Decision**

To approve a 14 year lease extension to Thistle Lawn Tennis Club of the tennis courts and associated facilities at Katesmill 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.)



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

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The Sub-Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraphs 2, 6, 8 and 9 of Part 1 of Schedule 7(A) of the Act.

## **27. Council Properties Companies – Referral Report from the Economy Committee**

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On 7 February 2017, the Economy Committee considered a report by setting out the options available to the Council regarding the operating model for its property companies, including issues arising and proposed transitional arrangements.

### **Decision**

To instruct the Chief Executive and the Board of CEC Holdings, EDI, Parc Craigmillar, Waterfront Edinburgh and Shawfair Land Limited to commence consideration and the potential implementation of Option 3 as set out in the report by the Chief Executive.

(References – Finance and Resources Committee, 4 June 2015 (item 32); Economy Committee, 7 February 2017 (item 14); report by the Acting Executive Director of Resources, submitted.)

### **Declarations of Interest**

Councillors Whyte and Rose declared a non financial interests in the above item as a Director of EDI and its subsidiary companies and as a Board Member of CEC Holdings, respectively.

## **28. Waiver – Transfer of Waste**

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Details were provided of the actions taken during December 2016 and January 2017, due to the unforeseen closure of the Powderhall Waste Transfer Station and approval was sought to waive the contract standing orders to award a number of temporary contracts as detailed in the report.

### **Decision**

To note the actions taken from December 2016 to January 2017 and to approve a waiver of contract standing orders to allow the award of a number of temporary contracts following the unforeseen closure of Powderhall Waste Transfer Station.

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



# Business bulletin

## Finance and Resources Committee

**10.00am, Thursday, 23 March 2017**

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

# Finance and Resources Committee

| Convener:   | Members:  | Contact:   |
|---|---|--|
| <p>Convener<br/>Cllr Alasdair Rankin</p>  <p>Vice – Convener<br/>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><br/>Committee Officer<br/>Tel: 0131 529 4283</p> <p><a href="#">Joanna Hamilton-Rigg</a><br/>Departmental Adviser<br/>Tel: 0131 529 5219</p> |

| Recent news  | Background  |
|--|---|
| <p><b><u>Property Conservation – Legacy Closure Programme and Edinburgh Shared Repairs Service (ESRS)</u></b></p> <p><b><u>October 2016-February 2017 Update</u></b></p> <p><u>Legacy Closure Programme</u></p> <p>Progress in the closure of the former Property Conservation service over the last three months has seen a further reduction in debt outstanding from £3.8m to £3.2m.</p> <p>The total recovery rate in debt collected and secured debt has now reached £14.1m equivalent to 81%.</p> <p>Ongoing issues relate predominantly to debt recovery, settlement and technical queries that will be subject to handover into mainstream services in due course.</p> <p><u>ESRS Update</u></p> <p>The ESRS provides a range of advisory and intervention services designed primarily to help owners carry out their own maintenance and repairs.</p> | <p>Contact:</p> <p>Andrew Field,<br/>ESRS Senior<br/>Manager,<br/>Property &amp;<br/>Facilities<br/>Management</p> <p>Tel : 0131 529<br/>6778</p> |

The service will report to the Property Sub-Committee on a quarterly basis.

The [Contractors Framework Agreement](#) was approved by the Finance and Resources Committee in January 2017.

The number of cases dealt with in the service pilot phase is 42 to end of January 2017. In 54% of these, the service has helped owners take the project back to arrange works privately.

Seven cases are currently in the enforcement stage. The first major enforcement project carried out by the service has been completed on schedule and within estimated costs.

The Emergency Repairs service has attended an average of 80 site visits per month between October 2016 and January 2017.

### **Monitoring Officer Investigation: Tron Kirk**

At the Finance and Resources Committee on [1 December](#), an update was provided on the B Agenda. It was agreed that an update would be brought back to Committee setting out a mechanism to include necessary training identified for procedures to be adopted to ensure that collaborative working was implemented.

A standardised missive for all property transactions will be brought into use from 1 April 2017. This will clearly set out termination provisions and a notice to quit will be issued as a matter of course, within the relevant timescale, prior to the expiry date of each missive other than where a particular arrangement is advantageous to the Council and an active decision is taken that it should be undisturbed.

An agreement has been made with the Licensing team to ensure that the Investment Portfolio team receive notification of all applications. A similar process is in place with Planning where weekly lists of applications and decisions are circulated. Consequently Investment Portfolio officers will have sight of any applications affecting Council owned property.

All members of the Investments team have access to the Estates Operational Handbook and a guidance note on the standardised missive and procedure for issuing Notices to Quit has been prepared. Each officer within the team has been issued with a copy of the missive and the guidance note. In addition, a training seminar will be delivered by colleagues in Legal Services on 18 May 2017 and an update seminar delivered bi-annually.

Contact: [Nick Smith](#), Head of Legal and Risk

# Item 6.1 - Key Decisions Forward Plan

## Finance and Resources Committee

[23 March 2017 – 8 June 2017]

| Item | Key decisions  | Expected date of decision | Wards affected | Director and lead officer  | Coalition pledges and Council outcomes |
|------|--|---------------------------|----------------|--|--|
| 1.   | Customer Strategy  | 8 June 2017               |                | Andrew Kerr, Chief Executive<br>Lead Officer: <a href="#">Laurence Rocky</a> , Head of Strategy and Insight                                |  |
| 2.   | Managing Workforce Change – Workforce Dashboard                            | 8 June 2017               |                | Hugh Dunn, Acting Executive Director of Resources<br>Lead Officer: <a href="#">Katy Miller</a> , Head of Human Resources                   |  |
| 3.   | Property Conservation Quarterly Update to be reported to Business Bulletin | 8 June 2017               |                | Hugh Dunn, Acting Executive Director of Resources<br>Lead Officer: <a href="#">Andrew Field</a> , Head of Edinburgh Shared Repairs Service |  |
| 4.   | Health and Safety Strategy   | 8 June 2017               |                | Hugh Dunn, Acting Executive Director of Resources  |  |

| Item | Key decisions  | Expected date of decision | Wards affected | Director and lead officer  | Coalition pledges and Council outcomes |
|------|--|---------------------------|----------------|--|--|
|      |  |                           |                | Lead Officer: <a href="#">Susan Tannahill</a> , Council Health and Safety Manager  |  |
| 5.   | Contracts Awarded Under Delegated Authority (Waiver Reports) and Contract Waiver Management Update | 8 June 2017               |                | Hugh Dunn, Acting Executive Director of Resources<br><br>Lead Officer: <a href="#">Maggie Dean</a> , Commercial Partner                |  |
| 6.   | Edinburgh's Christmas and Edinburgh's Hogmanay KPI's 2016/17                                       | 8 June 2017               |                | Paul Lawrence, Executive Director of Place<br><br>Lead Officer: <a href="#">Lindsey Robertson</a> , Service Manager, Culture and Sport |  |
| 7.   | Saughton Park Landscape and Associated Works Award of Contract                                     | 8 June 2017               |                | Paul Lawrence, Executive Director of Place<br><br>Lead Officer: <a href="#">David Jamieson</a> , Park and Green Space Manager          |  |
| 8.   | Replacement of the Salvesen Steps on the River Almond  | 8 June 2017               |                | Paul Lawrence, Executive Director of Place<br><br>Lead Officer: <a href="#">David Jamieson</a> , Park and Green Space Manager          |  |
| 9.   | Greendykes G – Appointment of a Housebuilder   | 8 June 2017               |                | Paul Lawrence, Executive Director of Place<br><br>Lead Officer: <a href="#">Michael Thain</a> , Strategy and Investment Manager        |  |
| 10.  | Extension of Contract for Consultancy Services for Roseburn to Union Canal Cycle Route             | 8 June 2017               |                | Paul Lawrence, Executive Director of Place<br><br>Lead Officer: <a href="#">Callum Smith</a> , Senior                                  |  |

| Item | Key decisions  | Expected date of decision | Wards affected | Director and lead officer   | Coalition pledges and Council outcomes |
|------|--|---------------------------|----------------|---|--|
|      |  |                           |                | Professional Officer  |  |
| 11.  | Award of Contract for Independent Advocacy Services                              | 8 June 2017               |                | Rob McCulloch-Graham, Chief Officer<br>Edinburgh Health & Social Care Partnership<br><br>Lead Officer: <a href="#">Chris Whelan</a> , Contracts Manager |  |
| 12.  | Framework Agreement for Day Support Services for Adults with Learning Disability | 8 June 2017               |                | Rob McCulloch-Graham, Chief Officer<br>Edinburgh Health & Social Care Partnership<br><br>Lead Officer: <a href="#">Chris Whelan</a> , Contracts Manager |  |

# Item 6.2 - Rolling Actions Log

## Finance and Resources Committee

8 September 2016 – 23 February 2017

| 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                 |                        | G          | <b>An update report considered by the Finance and Resources Committee on 23 February 2017 – closed.</b> |

F+R Committee – 29 Oct 2015 – 19 Jan 2017



|   |          |   |  |  |                     |  |          |  |
|---|----------|---|--|--|---------------------|--|----------|--|
| 2 | 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/<br>Acting Executive Director of Resources | As soon as possible |  | <b>A</b> | <b>Ongoing</b>   |
| 3 | 01-12-16 | Monitoring Officer Investigation (B agenda)                     | To agree that a report would be brought back to the F+R Committee setting out a mechanism to include necessary training identified for procedures to be adopted to ensure that collaborative working between relevant departments was implemented. | Monitoring Officer   | 23 March 2017       |  | <b>A</b> | <b>To agree to report back in the Business Bulletin of the March 2017 Finance and Resources Committee – ongoing.</b> |

|   |          |   |   |                            |                     |             |          |   |
|---|----------|---|---|----------------------------|---------------------|-------------|----------|---|
| 4 | 01-12-16 | Temporary Accommodation for Homelessness Contract (B agenda)  | To agree that a progress report would be brought to the Finance and Resources Committee in two cycles.  | Head of Safer and Stronger | 23 Feb 2017         | 23 Feb 2017 | <b>G</b> | <b>Report was be brought to the F+R Committee on 23 February 2017 – closed.</b> |
| 5 | 23-02-17 | <a href="#">Transformation Programme: Progress Update</a>     | To agree that a separate report on the progress of the implementation of the localities model would be brought to a future Committee.   | Chief Executive            | June 2017           |             | <b>A</b> | <b>Ongoing</b>  |
| 6 | 23-02-17 | <a href="#">Governance of Major Projects: Progress Report</a> | <p>1) To agree the assurance review schedule for Q4 2016/17 and Q1 2017/18 detailed in Appendix 2 of the report, subject to a briefing note being circulated to members with updates on major projects, including CGI and delivery of the Boroughmuir project.</p> <p>2) To ensure that start and finish dates of all projects were added to future reports to allow progression to be monitored.</p> | Chief Executive            | As soon as possible |             | <b>A</b> | <b>Ongoing</b>  |

|   |          |  |  |  |  |  |          |                |
|---|----------|--|--|--|--|--|----------|----------------|
| 7 | 23-02-17 | <a href="#">Strategic Direction for Tackling Homelessness</a>                                    | To agree that the Head of Safer and Stronger Communities would report back to a future Committee on the impact the implementation of the new Homelessness Strategy would have on shortening the period of contract extensions. | Safer and Stronger Communities         |  |  | <b>A</b> | <b>Ongoing</b> |
| 8 | 23-02-17 | <a href="#">Contract Award for the Supply of Domestic Furniture, Furnishings and White Goods</a> | To agree that a briefing note was provided to elected members containing information on the Core Furniture Project.  | Acting Executive Director of Resources |  |  |          |                |

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, 23 March 2017

## Managing Workforce Change – Workforce Dashboard

Item number 7.1  
Report number  
Executive/routine  
Wards

### Executive summary

---

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 17 March 2017.

### 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.

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

---

3.1 The attached dashboard (Appendix 1) provides indicators to monitor change through the Council Transformation programme. As at 17 March 2017 four organisational reviews were currently underway across the Council involving 2697 staff.

3.2 In summary the findings detail:

- People totalling 888.2 fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £33.4m annualised cost savings.
- 55 people were recorded as being surplus at 17 March 2017 representing an annual salary cost of £2.18m. This represents a 46% decrease in the number of redeployees since October 2016. Of the 55 redeployees, 19 have been redeployed into temporary posts, 10 have a future VR leaving date, leaving 26 who are currently not redeployed into a funded post.

- A total of 57 permanent redeployments have been secured since the first reviews were implemented in December 2015.
  - The Career Transition Service has supported a total of 1378 staff. This includes 714 one to one meetings with individuals to discuss their needs, 898 who have undertaken interview skills training and 740 people who have taken advantage of the services provided by Right Management Careers Specialists.
  - A targeted bumped redundancy exercise is currently underway to help secure permanent employment for Grade 7 staff on the register.
  - The Career Transition Service Open Day on 1 March 2017 was a great success and positive feedback received from attendees. The aim of the event was to provide redeployees and VR leavers with information and advice to assist them in considering their future career options. Right Management, recruitment agencies, further and higher education representatives and other external organisations offering support and advice were present. A further event is planned for May 2017.
- 3.3 The latest available information on Council wide staffing numbers, sickness absence and agency expenditure is as reported at January 2017.

## **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 £33.4m.

## **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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- 10.1 None.

### Hugh Dunn

Acting Executive Director of Resources

Contact: Katy Miller, Head of Human Resources

E-mail: [katy.miller@edinburgh.gov.uk](mailto:katy.miller@edinburgh.gov.uk) | Tel: 0131 469 5522

### Links

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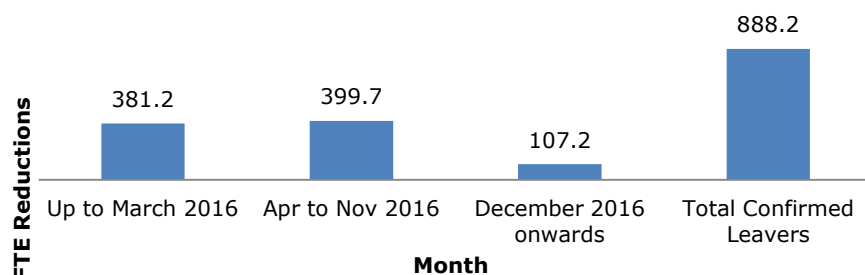
|                                 |   |
|---------------------------------|---|
| <b>Coalition pledges</b>        | <p>P25 - Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development</p> <p>P26 - 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>CP27 – The Council supports, invests in and develops our people</p>   |
| <b>Single Outcome Agreement</b> |   |
| <b>Appendices</b>               | Appendix 1 – Workforce Dashboard - Transformation Programme Summary   |



## Organisational review summary

2697 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future. It is anticipated that these reviews will reduce the workforce by approx. 200 FTE.

## VERA/VR leaver reductions (FTE)

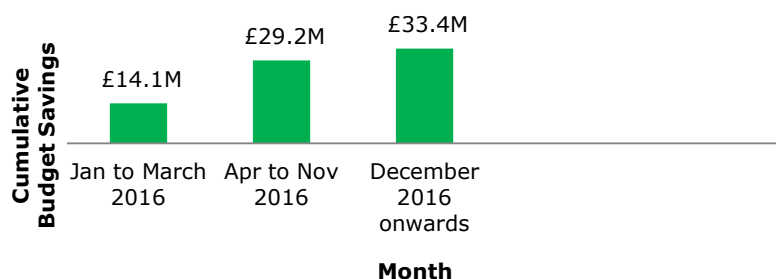


People accounting for a total of 888.2 FTE are confirmed as leaving the Council under VERA and VR arrangements. The following reviews are ongoing and it is anticipated all will be implemented by 1 April 2017:-

Health & Social Care  
Schools & Lifelong Learning  
Facilities Management (3A)  
It is anticipated that the reduction of 200 FTE referred to above will be managed through VRs and vacancy management.

Facilities Management (3B) - consultation on this review is being staggered for the staff groups in scope. It is anticipated it will begin with Janitors in May 2017 and Cleaning staff in August 2017.

## Current and projected cumulative budget savings



The confirmed 888.2 FTE reductions from VERA and VR will achieve recurring savings of £33.4M.

The one off VR/VERA and pension strain cost for those cases is £38.1m and the overall payback period is 13.7 months, which is in line with planning assumptions.

## Employee support / Career Transition Service

|   | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17     |
|---|--------|--------|--------|--------|--------|------------|
| Number of people in review  | 2838   | 2898   | 3548   | 2697   | 2697   | 2697       |
| Support   |        |        |        |        |        | no.to date |
| No of staff accessed CTS  |        |        |        |        |        | 1378       |
| 1:1's   |        |        |        |        |        | 714        |
| Attended interview skills training                                  |        |        |        |        |        | 898        |
| Requested access to online registration for Right Everywhere access |        |        |        |        |        | 740        |

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

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

An Open Day was held on 1 March and attended by 44 staff. Feedback was very positive and a further open day is planned for May 2017.

## Redeployment – number of people and cost

|   | Oct 2016 | Nov 2016 | Dec 2016 | Jan 2017 | Feb 2017 | Mar 2017 |
|---|----------|----------|----------|----------|----------|----------|
| Number of people on register              | 102      | 86       | 61       | 57       | 42       | 55       |
| Annual salary cost                        | £3.95m   | £3.24m   | £2.41m   | £2.26m   | £1.71m   | £2.18m   |
| Monthly Salary Cost                       | £329,427 | £270,012 | £201,285 | £188,791 | £143,288 | £182,042 |
| Unfunded Monthly Salary Cost              | £254,112 | £191,970 | £121,115 | £94,173  | £86,623  | £132,490 |
| Surplus – not currently redeployed        | 43       | 35       | 28       | 19       | 16       | 26       |
| Temporarily redeployed into a funded post | 25       | 26       | 27       | 34       | 19       | 19       |
| Accepted VR with future leaving date      | 34       | 25       | 6        | 4        | 7        | 10       |

55 staff are currently on our redeployment register, representing an annual salary cost of £2.18m and a 46% decrease in the number of redeployees since October 2016.

The increase in redeployees since the last dashboard is mainly due to staff recently being declared surplus from the Schools and Lifelong Learning Review.

A targeted bumped redundancy exercise is currently underway to help secure permanent employment for GR7 staff on the register.

Since the first reviews were implemented in Dec 2015/Jan 2016, a total of 57 permanent redeployments have been secured.

Redeployees working towards the social work qualification and guaranteed a social worker post have been removed from the register along with Active Schools Co-ordinators funded by Sports Scotland.

## 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 |
|---------|--------|-----------|----------|
| Oct 15  | 15,208 | 19,249    | £409.4M  |
| Nov 15  | 15,366 | 18,744    | £412.9M  |
| Jan 16  | 15,095 | 18,827    | £402.6M  |
| July 16 | 14,334 | 18,152    | £387.8M  |
| Aug 16  | 14,050 | 18,462    | £380.9M  |
| Sept 16 | 14,025 | 17,928    | £374.4M  |
| Oct 16  | 13,897 | 18,327    | £377.4M  |
| Nov 16  | 14,014 | 18,362    | £379.3M  |
| Dec 16  | 14,143 | 18,304    | £382.0M  |
| Jan 17  | 14,200 | 18,279    | £382.7M  |

On an annual basis January 2017 staff numbers are 895 FTE lower and the pay bill is £19.9m lower.

Between Dec and Jan FTE has increased by 57 with an increase to the pay bill of £0.7m and reflects recruitment to vacant posts following organisational reviews.

### Sickness absence

|           | 12 month rolling average |
|-----------|--------------------------|
| Jan 16    | 4.86%                    |
| July 16   | 5.12%                    |
| August 16 | 5.13%                    |
| Sept 16   | 5.15%                    |
| Oct 16    | 5.18%                    |
| Nov 16    | 5.17%                    |
| Dec 16    | 5.24%                    |
| Jan 17    | 5.21%                    |

A total of 5.21% of working days in the 12 months to January 2017 were lost to sickness absence.

Plans are in development to address the increase in sickness absence including stress related absence. CLT will consider a draft plan on 8<sup>th</sup> March 2017.

### Agency expenditure

|               | Q3 (Oct – Dec 15) | Q2 (Jul– Sept 16) | Q3 (Oct– Dec 16) | Jan 17  |
|---------------|-------------------|-------------------|------------------|---------|
| Adecco UK Ltd | £2.6M             | £3.2M             | £2.7M            | £850.8K |

The table indicates agency spend with Adecco to January 17.

A reduction of £0.5m in spend for Q3 compared to Q2 is reported.

### Vacancies

| Number of roles | Contract Type |
|-----------------|---------------|
| 28              | Fixed term    |
| 53              | Permanent     |
| 0               | Casual        |

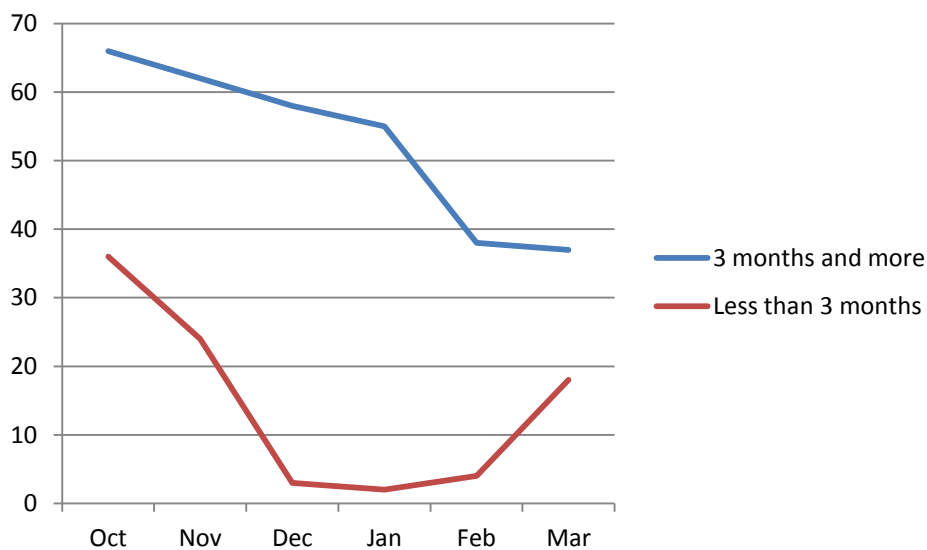
As at 17 March 2017 we have 81 live vacancies advertised on My job Scotland.

## Appendix One - Workforce Dashboard – Summary – 17 March 2017

The graph below provides details of ALL staff on the redeployment register for less than, or more than, three months during the months October 2016 to March 2017.

|                    | Oct | Nov | Dec | Jan | Feb | Mar |
|--------------------|-----|-----|-----|-----|-----|-----|
| 3 months and more  | 66  | 62  | 58  | 55  | 38  | 37  |
| Less than 3 months | 36  | 24  | 3   | 2   | 4   | 18  |
| Total Cases        | 102 | 86  | 61  | 57  | 42  | 55  |

|                    | Oct   | Nov    | Dec    | Jan   | Feb    | Mar    |
|--------------------|-------|--------|--------|-------|--------|--------|
| 3 months and more  | 64.7% | 72.09% | 95.10% | 96.5% | 90.50% | 67.00% |
| Less than 3 months | 35.3% | 27.91% | 4.09%  | 3.5%  | 9.50%  | 33.00% |



### Note: 3 months and more on the redeployment register

the above figure of 37 for March includes **all** staff who have been surplus for 3 months or more as follows:-

|                                       |    |
|---------------------------------------|----|
| those staff not currently redeployed  | 8  |
| those staff with a VR future date     | 10 |
| those staff in temporary redeployment | 19 |

# Finance and Resources Committee

10am, Thursday 23 March 2017

## Whistleblowing Policy

|                   |     |
|-------------------|-----|
| Item number       | 7.2 |
| Report number     |     |
| Executive/routine |     |
| Wards             |     |

### Executive Summary

---

The Finance and Resources Committee approved the Council's current Whistleblowing Policy on 19 September 2013.

The independent expert review of the Council's whistleblowing pilot arrangements recommended that the Whistleblowing Policy be reviewed and updated to reflect how the Council's whistleblowing arrangements had developed and were working in practice.

This report recommends approval of a revised Whistleblowing Policy to meet that review requirement and comply with the Council's policy framework in relation to the consistency of policy formatting, content and assurance.

### Links

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|                          |                                  |
|--------------------------|----------------------------------|
| Coalition Pledges        | <a href="#">P27</a>              |
| Council Priorities       | <a href="#">CO24; CO26; CO27</a> |
| Single Outcome Agreement |                                  |

## Whistleblowing Policy

### 1. Recommendations

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- 1.1 To approve the revised Whistleblowing Policy.
- 1.2 To implement the revised policy with immediate effect.

### 2. Background

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- 2.1 The policy was formally introduced on 12 May 2014 to coincide with the launch of the Council's whistleblowing hotline pilot.
- 2.2 The report on the independent expert review of the whistleblowing pilot was approved by Committee on 27 August 2015, along with an action plan to further develop and improve the service.
- 2.3 A review of the Whistleblowing Policy was included in the action plan.
- 2.4 The policy is a component of induction training and is included in the annual mandatory refresher exercise for all staff on the Council's key policies.

### 3. Main report

---

- 3.1 The policy has been amended to reflect the recommendations of the independent review and reformatted to meet the requirements of the council wide policy framework.
- 3.2 Material amendments to the existing policy are summarised as follows:
  - 3.2.1 the addition of a reference to former employees and workers who are also covered by whistleblowing legislation (1.4);
  - 3.2.2 clarification that the relevant legislation encourages the reporting of matters that have taken place, are taking place or are likely to take place (2.8);
  - 3.2.3 the strengthening of confidentiality requirements and responsibilities (Section 4);
  - 3.2.4 changes to reflect the level of detail reported routinely to the Council Leadership Team and the Governance, Risk and Best Value Committee (4.25, 4.46, 4.50-4.52);
  - 3.2.5 a new section on the role of Directorate Liaison Officer (4.35-4.37);

- 3.2.6 a new section outlining how disclosures about the Monitoring Officer or Chief Executive are handled (4.49);
  - 3.2.7 additional information on the role and responsibilities of the Whistleblowing Team (throughout);
  - 3.2.8 clarification of the support to be provided to the Whistleblowing Team and the external service provider by key individuals involved in the process (throughout);
  - 3.2.9 additional information on the difficulties the council may encounter when dealing with anonymous disclosures (Section 7);
  - 3.2.10 the addition of information relating to the fair collection of data required by the Data Protection Act 1998 (7.2); and
  - 3.2.11 amendment to the flowchart to include the internal reporting route (Appendix 1 of the policy).
- 3.3 The policy will be reviewed annually to ensure it is still fit for purpose, including:
- 3.3.1 changes to legislation;
  - 3.3.2 changes to Council structures, roles and responsibilities;
  - 3.3.3 best practice; and
  - 3.3.4 development of the service.

## **4. Measures of success**

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- 4.1 Employees feel able to report suspected wrongdoing as early as possible in the knowledge that:
- 4.1.1 their concerns will be taken seriously and investigated appropriately;
  - 4.1.2 they will be protected from victimisation; and
  - 4.1.3 the provisions of the whistleblowing policy ensure all matters at the Council are fully transparent and officers are accountable.

## **5. Financial impact**

---

- 5.1 There is no financial impact arising from this report.

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

---

- 6.1 The changes made clarify roles and responsibilities and some of the procedural steps in the whistleblowing process.

## 7. Equalities impact

---

7.1 There are no adverse equality issues arising from this report.

## 8. Sustainability impact

---

8.1 None.

## 9. Consultation and engagement

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9.1 The Trades Unions were consulted during the course of the review.

## 10. Background reading/external references

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10.1 [Finance and Resources Committee 19 September 2013: item 7.2 - Revised Whistleblowing Policy](#)

10.2 [Finance and Resources Committee 27 August 2015: item 7.13 - Review of Whistleblowing Arrangements](#)

### Andrew Kerr

Chief Executive

Contact: Nick Smith, Monitoring Officer

E-mail: [nick.smith@edinburgh.gov.uk](mailto:nick.smith@edinburgh.gov.uk) | Tel: 0131 529 4377

## 11. Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition Pledges</b>        | P27 – seek to work in full partnership with Council staff and their representatives.   |
| <b>Council Priorities</b>       | CO15 – the public is protected.<br>CO25 – the Council has efficient and effective services that deliver on objectives.<br>CO27 – the Council supports, invests in and develops our people. |
| <b>Single Outcome Agreement</b> |  |
| <b>Appendices</b>               | Appendix 1 – Draft Whistleblowing Policy for implementation on 23 March 2017   |

# Whistleblowing Policy

**Implementation date: 23 March 2017**

## Control schedule

|                                   |                                 |
|-----------------------------------|---------------------------------|
| <b>Approved by</b>                | Finance and Resources Committee |
| <b>Approval date</b>              | 23 March 2017                   |
| <b>Senior Responsible Officer</b> | Nick Smith, Monitoring Officer  |
| <b>Author</b>                     | Laura Callender                 |
| <b>Scheduled for review</b>       | March 2018                      |

## Version control

| Version | Date       | Author          | Comment                                 |
|---------|------------|-----------------|---|
| 0.1     | 14.02.2017 | Laura Callender | Draft for CLT                           |
| 0.2     | 01.03.2017 | Laura Callender | Final for Finance & Resources Committee |

## Committee decisions affecting this policy

| Date       | Committee             | Link to report  | Link to minute  |
|------------|-----------------------|---|---|
| 19.09.2013 | Finance and Resources | <a href="#">Item 7.2 - Revised Whistleblowing Policy</a>          | <a href="#">Finance and Resources Committee   The City of Edinburgh Council</a> |
| 27.08.2015 | Finance and Resources | <a href="#">Item 7.13 - Review of Whistleblowing Arrangements</a> | <a href="#">Finance and Resources Committee   The City of Edinburgh Council</a> |



# Whistleblowing Policy

## Policy statement

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- 1.1 The aims of this Policy are to uphold the highest standard of conduct and ethics in all areas of the Council's work.
- 1.2 In line with this commitment if you have serious concerns about any aspect of the Council's work you are encouraged to come forward and voice those concerns.
- 1.3 This Policy covers malpractice under the whistleblowing legislation and other serious concerns.
- 1.4 The relevant whistleblowing legislation is the Public Interest Disclosure Act 1998 (the 'Act'), an insertion to the Employment Rights Act 1996, which protects current and former employees and workers who blow the whistle.
- 1.5 You have the right to raise concerns in the knowledge that they will be taken seriously, investigated appropriately, and your confidentiality will be maintained.
- 1.6 This Policy explains how to raise concerns.
- 1.7 The main way to raise concerns is to the external 'Whistleblowing Hotline'. Details are at section 4.2.
- 1.8 You can also make a disclosure to a Manager within the Council. Details are also at section 4.2.
- 1.9 You will be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.
- 1.10 The Monitoring Officer (the Council's Head of Legal and Risk) has overall responsibility for this Policy which means undertaking periodic reviews to reflect organisational changes, best practice, operational experience or legislative updates.
- 1.11 This Policy is not intended to replace any other statutory reporting procedures operated by the Council.
- 1.12 Matters of concern relating to your employment situation which would normally be dealt with under the Council's Grievance Procedure or Avoidance of Bullying and Harassment at Work Policy should continue to be handled in that way.

## Scope

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- 2.1 This Policy applies to all employees and workers, including persons contracted to personally provide services to the Council, persons undergoing training or work experience as part of a training course and agency workers.

### How to whistleblow in confidence

- 2.2 You can blow the whistle by contacting the external 'Whistleblowing Hotline' maintained by **Safecall**, which is a separate organisation.
- 2.3 You can also make a disclosure to a Manager within the Council.
- 2.4 An illustration of how these arrangements work is at Appendix 1, the Whistleblowing Flowchart.

### What can you raise as a whistleblowing concern?

- 2.5 The following areas of malpractice can be raised under this Policy:-
- 2.5.1 criminal activity;
  - 2.5.2 a failure to comply with any legal obligation;
  - 2.5.3 miscarriages of justice;
  - 2.5.4 damage to health and safety;
  - 2.5.5 damage to the environment; and
  - 2.5.6 deliberate concealment of any of the above matters.
- 2.6 The above does not represent an exhaustive list of areas covered by this Policy.
- 2.7 You should also raise any serious concerns that you may have about any aspect of Council business or the conduct of officers or members of the Council or others acting on behalf of the Council under this Policy.
- 2.8 Concerns can be raised in relation to matters that have taken place, continue to take place or are likely to take place in the future.

## Definitions

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- 3.1 Disclosure – this is the information that you provide, verbally or in writing, about your concerns.
- 3.2 Whistleblower – this is the term used to describe the person who provides information about their concerns to the whistleblowing hotline provider, a manager in the Council or to prescribed persons (see more information on prescribed persons at section 8).

- 3.3 Whistleblowing team – this is the small team of staff in Governance who manage day to day operation of the whistleblowing service, liaising with and supporting the whistleblowing hotline provider, on behalf of the Council’s Monitoring Officer.
- 3.4 Hotline provider – the independent, external whistleblowing service provider who operates the confidential hotline service, oversees Council investigations into minor disclosures, carries out investigations into major disclosures and reports to committee.
- 3.5 Public interest – this is the test that is applied to determine if your concern is a whistleblowing matter to be dealt with under this policy. To meet the public interest test your concern should be one that is of interest to the public at large and not one that relates to you alone eg. your employment status or contractual arrangements.

## **Roles and responsibilities**

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### **Employee/ Worker obligations**

- 4.1 You should report any concern to the Whistleblowing Hotline provider.
- 4.2 You can also report a concern to any Manager at the Council.
- 4.3 You should do so where you have a reasonable belief that malpractice has occurred, is taking place or is likely to take place, where you have any serious concerns and it is in the public interest to do so.
- 4.4 You should not use this Policy for complaints relating to your employment as they are best addressed using the Council’s Grievance or Avoidance of Bullying and Harassment procedures.
- 4.5 You are responsible for acting professionally if you have a concern about the work of your colleagues, including an expectation on you to report malpractice.
- 4.6 You may also be called upon to assist the Whistleblowing Hotline provider regarding your disclosure.
- 4.7 In the unlikely event that your reported concern or issue is found to be deliberately vexatious or malicious this will be considered as a disciplinary matter.

### **Whistleblowing Hotline**

- 4.8 The Whistleblowing Hotline is maintained by **Safecall** which is a separate organisation.

4.9 The Whistleblowing Hotline can be accessed by phone, email and web portal at:

**0800 58 78 770;**

[cec@safecall.co.uk](mailto:cec@safecall.co.uk);

[www.safecall.co.uk/reports](http://www.safecall.co.uk/reports)

4.10 The Whistleblowing Hotline is the main way to make a whistleblowing disclosure (it is not the only way however).

4.11 You can also make a whistleblowing disclosure to any Manager at the Council (see 4.13 and further detail at section 5).

4.12 The Whistleblowing Hotline provider will follow the procedure once they receive your disclosure as set out in this section, 4.3 and 5.

4.13 If you make a disclosure to a Manager within the Council the Manager, in all cases, needs to report that they have received a disclosure to the Whistleblowing Hotline provider. This is to ensure that they can maintain a record of all disclosures.

4.14 When you contact the Whistleblowing Hotline provider they will determine if it is a 'minor/operational' whistleblowing disclosure, or a 'major/significant' whistleblowing disclosure, in consultation with the Monitoring Officer and his/her Whistleblowing Team.

4.15 In the case of a 'minor/operational' whistleblowing disclosure (and at the sole discretion of the Whistleblowing Hotline provider), they may ask a Manager within the Council to conduct investigations and report back to them with their findings. If this is the case the Whistleblowing Hotline provider will liaise with the Monitoring Officer's whistleblowing team. Alternatively, the Whistleblowing Hotline provider may itself carry out the investigation and reporting function concerning a 'minor/operational' whistleblowing disclosure.

4.16 In the case of 'major/significant' whistleblowing disclosures, the Whistleblowing Hotline provider will always carry out the investigation and reporting function.

4.17 The Whistleblowing Hotline provider may at any time make a recommendation to the Monitoring Officer and the Chief Executive of the Council that a matter which has been disclosed:

4.17.1 be investigated internally;

4.17.2 be referred to the Police;

4.17.3 be referred to the external auditor; or

4.17.4 form the subject of an independent inquiry.

- 4.18 The Whistleblowing Hotline provider may also direct you to other Council policies and procedures where the issue you have raised would be best addressed under one of those policies/procedures.
- 4.19 The Whistleblowing Hotline provider may therefore determine that matters raised by you are appropriately dealt with under the following Council policies and procedures: Complaints Procedure; Care Service Feedback Procedures; Policy on Avoidance of Bullying and Harassment at Work; Procedure for Hearing Grievances and the Equality and Rights in Employment Policy. Further action may also be considered under the terms of the Employee Code of Conduct, the Disciplinary Procedure, the Anti-Fraud Policy, and the Anti-Bribery Policy.
- 4.20 The Whistleblowing Hotline provider may also determine that the issues raised fall under the scope of other specific Council policies and procedures (such as child protection matters, social services matters and discriminatory conduct) or other professional codes.
- 4.21 The Whistleblowing Hotline provider will liaise (as appropriate and at their discretion) with the Monitoring Officer and his/her whistleblowing team, the Chief Executive, the Executive Director(s) of relevant service area(s), line managers and employees at the Council to the extent necessary to allow them to investigate and report on whistleblowing disclosures.

### **Whistleblowing Hotline Reports**

- 4.22 Where the Whistleblowing Hotline provider carries out investigations they will (as appropriate and at their discretion) liaise with the Monitoring Officer, the Monitoring Officer's whistleblowing team, the Chief Executive, the Executive Director of the relevant service area, relevant line managers and relevant employees at the Council.
- 4.23 The Whistleblowing Hotline provider will prepare quarterly and annual summary reports and prepare independent reports on disclosures for the Governance, Risk and Best Value Committee (the 'GRBV Committee'); they will also be responsible for dissemination of any report(s) on a disclosure conducted by a Manager within the Council to the GRBV Committee.
- 4.24 The Monitoring Officer and/or Executive Director of the relevant service area and/or the Chief Executive of the Council will initially receive all reports from the Whistleblowing Hotline provider. They will however be submitted to the Monitoring Officer, each Executive Director and the Chief Executive of the Council for information and comment only, in advance of being presented to the GRBV Committee. The Monitoring Officer and/or the Chief Executive of the Council will report to the GRBV Committee in relation to the outcome of the Whistleblowing Hotline providers findings.
- 4.25 The Whistleblowing Hotline provider will also maintain a record of all disclosures and provide summaries of all investigative outcome reports for the GRBV Committee.

- 4.26 The quarterly and annual reports to the GRBV Committee will state a high level summary of the issues raised and the actions taken concerning whistleblowing. As a minimum this will include:
- 4.26.1 the number of calls;
  - 4.26.2 the type of message received;
  - 4.26.3 whether the call required to be handled by other means; and
  - 4.26.4 classification of the disclosure/ area of malpractice.
- 4.27 The investigation outcome reports of the Whistleblowing Hotline provider will contain sufficient detail to allow the GRBV Committee to question persons where necessary and to call upon Council managers to account for their handling of matters.

#### **Monitoring Officer's whistleblowing team**

- 4.28 When an initial report is received from the Whistleblowing Hotline provider it will be discussed with the Monitoring Officer's Whistleblowing team and the category of the disclosure will be agreed.
- 4.29 The Monitoring Officer's whistleblowing team will liaise with the Whistleblowing Hotline provider on both 'minor/operational' and 'major/significant' disclosure investigations.
- 4.30 The Monitoring Officer's whistleblowing team will determine when input should be sought from HR or any other relevant section/function of the Council.
- 4.31 The Monitoring Officer's whistleblowing team will identify Managers within the Council to carry out those investigations deemed necessary and liaise with the Whistleblowing Hotline provider as appropriate.
- 4.32 Any matter reported to the Monitoring Officer's whistleblowing team will not be widely disseminated. It may be appropriate for disclosures to be reported to the Chief Executive in the first instance, both to allow for input and to ensure that there is a general awareness of concerns being raised at the most senior level within the Council.
- 4.33 Where there is deviation from the timescale set out at 5.3, it may be appropriate for the Monitoring Officer's whistleblowing team to set a revised timescale for completion of the investigation.
- 4.34 If it is determined that action is to be taken which is not in line with a recommendation of the Whistleblowing Hotline provider, the Monitoring Officer's whistleblowing team shall set out the reasons for this decision and report them to the Chief Executive and to the GRBV Committee in terms of what action is to be taken, by whom and why any recommendations have not been followed.

### **Directorate Whistleblowing Liaison Officer(s)**

- 4.35 If the Monitoring Officer's whistleblowing team requires assistance from a particular Directorate, there will be a liaison officer appointed to liaise with the whistleblowing team and assist with action or investigation relating to any concern that has been raised and, in particular, any steps to be taken by the Directorate.
- 4.36 The Directorate Whistleblowing Liaison Officer(s) may also be called upon to assist the Whistleblowing Hotline provider regarding a disclosure and must assist to the extent necessary to facilitate their investigations and subsequent reporting.
- 4.37 Those called upon to assist the Whistleblowing Hotline provider must do so on a confidential basis. The sharing of any information relating to a whistleblowing matter must be agreed in advance with the whistleblowing team.

### **Manager(s) of the Council**

- 4.38 The Whistleblowing Hotline provider may pass 'minor/operational' disclosures to Managers for investigation where they consider it appropriate.
- 4.39 In the case of 'minor/operational' disclosures the Whistleblowing Hotline provider will always liaise with the Monitoring Officer's whistleblowing team in the first instance.
- 4.40 At the sole discretion of the Whistleblowing Hotline provider, and through the Monitoring Officer's whistleblowing team, they may ask the Manager within the Council to conduct investigations and report back to them with their findings.
- 4.41 On appointment to investigate, the Manager is briefed by a member of the whistleblowing team and will follow the procedures as set out within this section and at section 5, below.
- 4.42 The investigation outcome report of the Manager within the Council will contain sufficient detail to allow the GRBV Committee to question persons where necessary and to call upon Council managers to account for their handling of matters.
- 4.43 Managers may also be called upon to assist the Whistleblowing Hotline provider regarding your disclosure. Those called upon to do so must assist the Whistleblowing Hotline provider to the extent necessary to facilitate their investigations and subsequent reporting.
- 4.44 Those called upon to assist the Whistleblowing Hotline provider must maintain confidentiality throughout the process.
- 4.45 Those called upon to assist the Whistleblowing Hotline provider are required to provide such assistance as soon as reasonably practicable in order that the

provider can conclude investigations and subsequent reporting within reasonable timescales.

### **Monitoring Officer / Chief Executive / Executive Directors of the Council**

- 4.46 The Whistleblowing Hotline provider will provide a summary of the final report(s) to the Monitoring Officer, each Executive Director and the Chief Executive of the Council, for information and comment only, in advance of the final report(s) going to the GRBV Committee.
- 4.47 The Monitoring Officer and/or the Executive Director of the relevant service area and/or the Chief Executive of the Council will report to the GRBV Committee in relation to the outcome of the Whistleblowing Hotline provider's findings.
- 4.48 In the case of 'major/significant' whistleblowing disclosures, the Whistleblowing Hotline provider shall immediately inform the Monitoring Officer and the Chief Executive of the Council. The Monitoring Officer and his/her whistleblowing team, the Chief Executive and, where appropriate, the Executive Director of the relevant service area will support the Whistleblowing Hotline provider as necessary to allow them to carry out their investigatory and reporting duties.
- 4.49 When a report is received about the Monitoring Officer it will be passed to the Chief Executive. When a report is received about the Chief Executive it will be passed to the Council Leader.

### **GRBV Committee**

- 4.50 The role of the GRBV Committee in respect of this policy is to monitor the financial performance of the Council and its subsidiary undertakings, the effectiveness of the Council's audit and inspection, risk management and governance arrangements and of the control environment of the Council and associated anti-fraud and anti-corruption arrangements.
- 4.51 The GRBV Committee will receive quarterly and annual high level summary reports regarding whistleblowing disclosures (prepared by the Whistleblowing Hotline provider) from the Monitoring Officer and /or the Executive Director of the relevant service area, and/or the Chief Executive of the Council. The Chief Executive of the Council will report to the GRBV Committee in relation to the outcome of the Whistleblowing Hotline providers' findings, save that the Chief Executive may determine that the report should be submitted by the Monitoring Officer or relevant service area Executive Director. This includes those reports prepared by a Manager of the Council where the Whistleblowing Hotline provider directed them to undertake the investigation.
- 4.52 The GRBV Committee will be entitled to question relevant persons where necessary and to call Council managers to account for their handling of matters raised under this Whistleblowing Policy.



## **All Parties Confidentiality Requirement**

- 4.53 All parties who play a role in respect of this Policy undertake to keep confidential and not disclose or discuss the circumstances of any whistleblowing concern with any person or organisation save as may be required for the purpose of investigating and reporting on the whistleblowing concern itself.

## **The Process**

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### **Procedure on receipt of a disclosure**

- 5.1 The Whistleblowing Hotline provider or the Manager within the Council (as directed by the Whistleblowing Hotline provider) will take ownership of any investigations, liaise with those within the Council as necessary and, following the investigation, prepare a report.
- 5.2 The Whistleblowing Hotline provider, or the Manager within the Council, will follow such procedures as necessary to investigate and conclude their findings.
- 5.3 Ordinarily a whistleblowing disclosure will be acted upon and concluded in good time. Good time will normally mean no more than three months.
- 5.4 A disclosure made by you will be treated with sensitivity and your confidentiality will be maintained.
- 5.5 If it is necessary, during the course of investigating your concern, to reveal your identity this will be discussed with you in advance.
- 5.6 You may be required to come forward as a witness. In such circumstances the Whistleblowing Hotline provider or the Manager at the Council conducting the investigations will arrange for you to be given advice about the relevant procedure. You will also be afforded the opportunity to be accompanied by a trade union representative or work colleague of your choice if you have any further active involvement in the process.
- 5.7 Disclosures may be made to the Whistleblowing Hotline provider or the Manager within the Council orally or in writing. The disclosure should, wherever possible, contain all relevant details about the background and history of the matter being disclosed including names, dates and times as well as the grounds for your concern. If you are unsure about how to approach this situation you may seek advice from the Whistleblowing Hotline provider or the Manager within the Council conducting the investigations.
- 5.8 A disclosure to the Whistleblowing Hotline or the Manager within the Council will be dealt with in three stages.

### **Stage 1**

- 5.9 You can make a disclosure to the Whistleblowing Hotline provider or any Manager within the Council.

- 5.10 Where the Manager within the Council receives the disclosure they need to report this to the Whistleblowing Hotline provider so the provider can assess the seriousness of the matter.
- 5.11 Where the Whistleblowing Hotline provider determines that the matter does not fall within the terms of this Policy, they will direct you to the appropriate alternative Council policy or procedures.
- 5.12 The Whistleblowing Hotline provider or the Manager within the Council will acknowledge receipt of the disclosure as soon as reasonably practicable and no later than two working days.

### **Stage 2**

- 5.13 The Whistleblowing Hotline provider or the Manager within the Council (via the Monitoring Officer's whistleblowing team, if appropriate) shall assess what further action is required concerning the disclosure and inform you of the further action to be taken.

### **Stage 3**

- 5.14 The Whistleblowing Hotline provider or the Manager within the Council will determine a programme of action.
- 5.15 A programme of action may include, but will not be limited to, investigations, a recommendation that an internal audit be carried out, a recommendation that recourse be made to the Disciplinary Procedure or referral to the appropriate external agency.
- 5.16 The Whistleblowing Hotline provider may also recommend urgent action to curtail alleged malpractice prior to further investigation; this may include a recommendation that the matter:
- be investigated internally;
  - be referred to the Police;
  - be referred to the external auditor; or
  - form the subject of an independent inquiry.
- 5.17 You may be required to be a witness in any investigatory or other process and regarding any subsequent proceedings which may arise as a result.
- 5.18 The outcome of the programme of action will be notified to you in writing.

## **Protection against victimisation**

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- 6.1 You will be given support and protection to allow you to feel confident in making a disclosure.

- 6.2 Where you make a disclosure of malpractice, the Council are required to take appropriate action to ensure that you are protected from any form of victimisation, bullying or harassment.
- 6.3 Victimisation, bullying or harassment of anyone making a disclosure will be regarded as a serious disciplinary offence/gross misconduct. It will also be regarded as a serious disciplinary offence to attempt to deter someone from making a disclosure.

## **Anonymous disclosures**

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- 7.1 If a disclosure is made anonymously this could make it difficult for the Whistleblowing Hotline provider or Manager within the Council to deal with the disclosure effectively. It will be challenging to obtain further information which might facilitate a full investigation. It may also be difficult to assess whether the disclosure is protected. You are therefore strongly encouraged to make yourself known when making a disclosure under this Policy.
- 7.2 Making yourself known will help to ensure that the Council complies with the requirement to process data fairly under the Data Protection Act 1998.
- 7.3 Disclosures which are made anonymously will still be considered under this Policy, with careful consideration given to their investigation. Where it is considered that an allegation may be made without foundation or not in good faith, it may not be progressed.
- 7.4 If an anonymous disclosure cannot be progressed due to lack of information, it will be held on record by the Whistleblowing Hotline provider and may form part of a future investigation. The record of disclosure will be held for 6 years.

## **Disclosures to external bodies**

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- 8.1 The purpose of this Policy is to create the conditions in which you feel confident to raise matters of concern. It is also recognised that there may be circumstances where matters may be properly reported to certain external bodies (other than the Whistleblowing Hotline provider).
- 8.2 Certain external bodies to which matters may be properly reported are known as 'prescribed persons'. A list of prescribed persons is made available by the Secretary of State, who currently lists more than 50 regulatory bodies to whom protected disclosures can be made. It can be found at <https://www.gov.uk/whistleblowing/how-to-blow-the-whistle>
- 8.3 In circumstances where you decide to raise the matter externally, you will only be protected under this Policy, and under employment law, where the disclosure is made in accordance with the Act.

- 8.4 This means that the disclosure must fall under one of the categories listed in paragraph 2.5 regarding malpractice and must be made in one of the following ways:
- 8.4.1 in the course of obtaining legal advice;
- 8.4.2 to a prescribed person (as noted at paragraph 8.2 above):-
- in the reasonable belief that the relevant failure falls within the prescribed person's area of concern; and
  - in the reasonable belief that the information is substantially true.
- 8.4.3 to other third parties where you make the disclosure:-
- in the reasonable belief that the information is substantially true;
  - otherwise than for personal gain;
  - in the reasonable belief that you will be subjected to a detriment by the Council; in circumstances where there is no prescribed person, in the reasonable belief that evidence relating to the relevant failure will be concealed or destroyed by the Council; or you have already raised the matter with the Whistleblowing Hotline provider, the Manager within the Council or prescribed person; and
  - where in all of the circumstances it is reasonable to make the disclosure.
- 8.4.4 the disclosure is of an exceptionally serious nature and you make the disclosure:
- in the reasonable belief that the information is substantially true; and
  - otherwise than for personal gain; and
  - where in all of the circumstances it is reasonable to make the disclosure.

## Contact with the media

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- 9.1 This Policy has been developed to enable you to express concerns on the basis that it is in the public interest to make such matters known to the Whistleblowing Hotline provider or a Manager within the Council. However, reporting of a concern does not mean that such matters should be made available for public consumption through the media and/ or social media.
- 9.2 Disclosure to the media is prohibited during the course of, or after completion of an investigation either conducted internally or via those external bodies known as 'prescribed persons'. Disclosure to the media in these circumstances may lead to disciplinary action against you.

## Implementation

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- 10.1 The effective date of implementation is 23 March 2017.
- 10.2 All employees and workers will be made aware of the revised policy through established communications channels and the annual policy awareness exercise.

## Related documents

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- 11.1 [Finance and Resources Committee 19 September 2013: item 7.2 - Revised Whistleblowing Policy](#)
- 11.2 [Finance and Resources Committee 27 August 2015: item 7.13 - Review of Whistleblowing Arrangements](#)

## Equalities and impact assessment

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- 12.1 It has been assessed that this policy will have no direct equalities impact.

## Strategic environmental assessment

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- 13.1 It has been assessed that this policy will have no environmental impact.

## Risk assessment

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- 14.1 The whistleblowing policy was developed and agreed to complement existing management reporting arrangements and to ensure employees have the right to raise concerns in the knowledge that they will be taken seriously, that matters will be investigated appropriately and confidentiality will be maintained.
- 14.2 The revised policy is fully compliant with legislative requirements and good employment practice.

## Local agreement

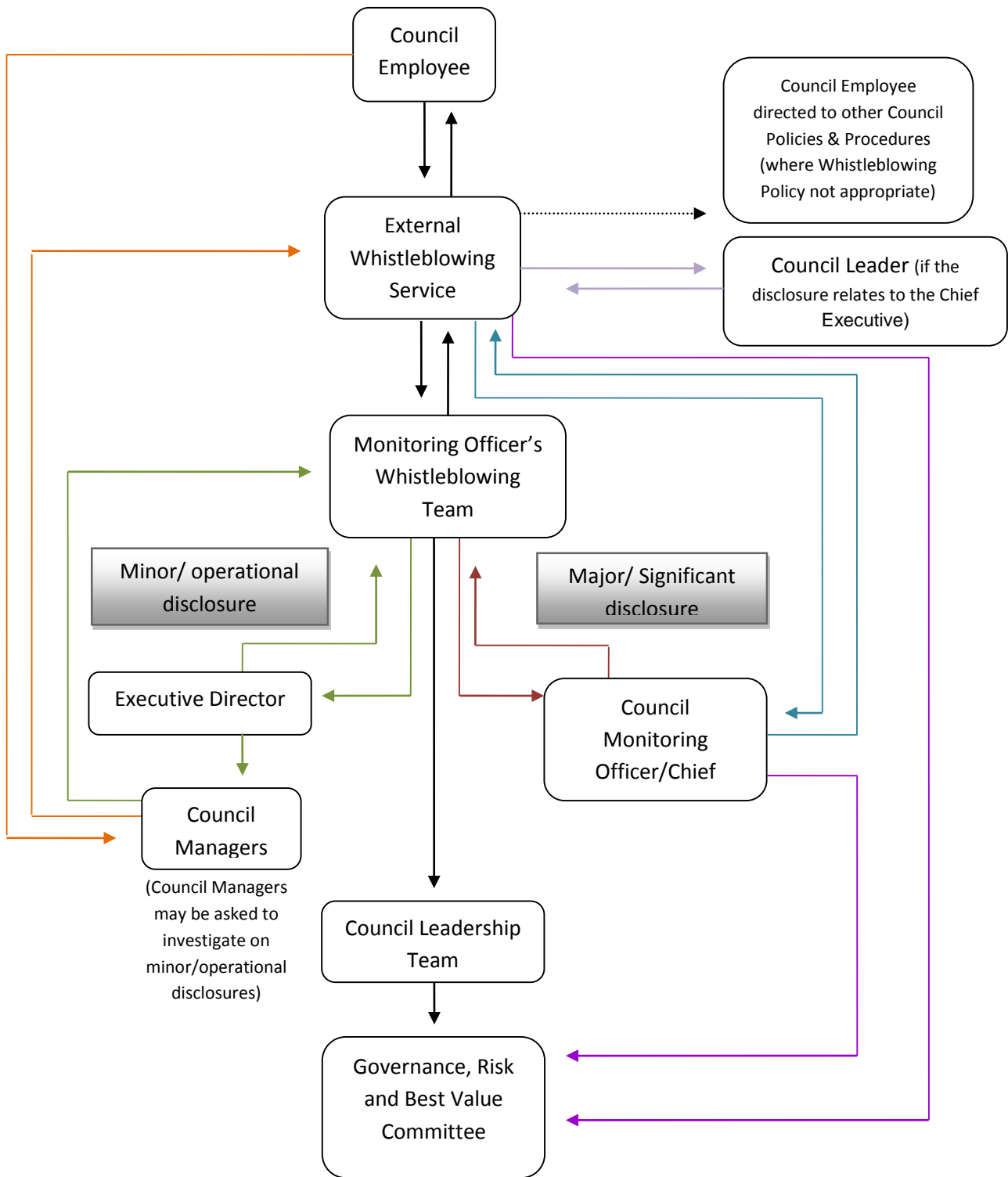
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- 15.1 This policy is a local collective agreement between the Council and the recognised trade unions. Every effort will be made by both parties to make sure that this policy is reviewed regularly and amended by agreement, if required to meet future needs. In the event of a failure to reach agreement both parties reserve the right to end this local agreement by giving four months notice in writing. In such circumstances the terms of the local agreement will no longer apply to existing and future employees.

## Review

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- 16.1 This policy will be added to the Council's policy register and will be reviewed annually to reflect organisational changes, best practice, operational experience and legislative updates.



# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Approved 2017/18 – 2020/21 Revenue Budget and 2017/18 – 2021/22 Capital Investment Programme – plans for supplementary investment

|                   |     |
|-------------------|-----|
| Item number       | 7.3 |
| Report number     |     |
| Executive/routine |     |
| Wards             |     |

### Executive summary

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The approved budget of 9 February 2017 included provision for one-off items of service investment across several broad themes, totalling £9.988m of revenue and £2.278m of capital expenditure respectively. This report provides additional information on the application of these funds.

### Links

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|                          |     |
|--------------------------|-----|
| Coalition Pledges        | All |
| Council Priorities       | All |
| Single Outcome Agreement | All |



## Approved 2017/18 – 2020/21 Revenue Budget and 2017/18 – 2021/22 Capital Investment Programme – plans for supplementary investment

### 1. Recommendation

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- 1.1 Members of the Finance and Resources Committee are requested to note the additional information provided on the supplementary investment contained within the approved budget motion.

### 2. Background

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- 2.1 The 2017/18 – 2020/21 Revenue and 2017/18 – 2021/22 Capital Programme Budgets for the Council and Housing Revenue Account were approved on 9 February 2017.
- 2.2 Following the initial announcement on 15 December 2016, a revised Local Government Finance Settlement was then issued on 2 February 2017. This announcement reflected the assumed provision of £130m of one-off revenue, and £30m of capital, resources across Scotland, with Edinburgh's respective allocations being £9.998m and £2.278m. Given the timing on the revised Settlement announcement, these sums were allocated to broad themes within the budget motion. This report provides additional information on the application of these funds.
- 2.3 At this stage, clarification has not been received as to whether these resources will be baselined within the Local Government Finance Settlement. This point aside, given the anticipated increase in the overall revenue savings requirement relative to current budget framework assumptions going forward, the revenue sums for allocation are essentially one-off in nature. Where possible, however, this investment supports wider transformation- and prevention-related work across the Council, contributing towards both re-establishing financial stability and achieving key outcomes in the areas concerned.

### 3. Main report

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- 3.1 The application of the supplementary investment is set out in Appendix 1.

- 3.2 Given the assumed non-recurring nature of the funding, particularly in those cases where additional staffing is required and/or likely expenditure commitments extend beyond one year, there is a need for clear exit strategies and/or close monitoring of anticipated on-going savings resulting from this activity.

## **4. Measures of success**

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- 4.1 Subsequent monitoring will track the allocation of funding in line with the approved purposes and achievement of anticipated outcomes, with a particular emphasis placed on complementing the Council's wider transformational and/or preventative agenda.

## **5. Financial impact**

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- 5.1 Specific budgetary provision has been made in 2017/18 for all of the investment set out within the report. Given the assumption, at this stage, that this funding will be one-off in nature, however, there is a need for clear exit strategies to be developed and/or the investment to facilitate delivery of on-going savings.

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

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- 6.1 The approval of a balanced budget plays a vital role in expressing, in financial terms, the priorities of a local authority and promotes accountability between a council and its electorate.
- 6.2 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the assumed level of financial savings in a way consistent with the anticipated service impacts outlined in the respective budget templates. This process applies equally to service investment and regular progress updates on benefits delivered will therefore be reported to CLT and the Finance and Resources Committee during the year.

## **7. Equalities impact**

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- 7.1 While it is anticipated that the equalities and rights impacts of the additional service investment will be positive, any material impacts and associated mitigating actions will be advised at the Finance and Resources Committee on 23 March 2017.

## **8. Sustainability impact**

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- 8.1 Assessment of the carbon, climate change adaptation and sustainable development of the additional investment is underway and any material impacts

will be reported to the Finance and Resources Committee on 23 March 2017.

## 9. Consultation and engagement

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- 9.1 A full engagement and consultation exercise was undertaken as part of the budget process. The main findings emerging from this were reported to the Finance and Resources Committee on 19 January 2017, with subsequent decisions on service investment informed by this process.

### Background reading/external references

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[Capital Coalition Budget Motion](#), City of Edinburgh Council, 9 February 2017

#### Hugh Dunn

Acting Executive Director of Resources

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#### Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition pledges</b>        | All  |
| <b>Council outcomes</b>         | All  |
| <b>Single Outcome Agreement</b> | All  |
| <b>Appendices</b>               | Appendix 1 – Application of supplementary investment within approved 2017/18 revenue and capital budgets |

## Allocation of supplementary revenue and capital resources, 2017/18

## Revenue framework

| Theme                                    | Summary description of investment  | Allocation (£m) |
|--|--|-----------------|
| <b>Early intervention and prevention</b> | Co-ordinated programme of workforce learning and development and targeted investment in preventative initiatives across the areas of children's services, mental health and homelessness services.   | 2.000           |
| <b>Pavement and road repairs</b>         | <p>Programme of targeted investment, informed by Road Condition Survey, including full-year funding for localities "hot" (permanent) repair squads and additional footways spend.</p> <p>The funding will increase investment in cycling-related provision by a further £0.250m, supplementing the additional spend underpinning the approved 10% budget commitment.</p> | 2.500           |
| <b>Building maintenance and repairs</b>  | The funding will complement the existing strategy of prioritising available resources to prevent further deterioration of the Council's property estate.   | 2.000           |
| <b>Libraries</b>                         | For 2017/18, maintain Library provision whilst the new 'open Library' system is developed.   | 1.798           |

| <b>Broad theme</b>   | <b>Summary description of investment</b>  | <b>Allocation (£m)</b> |
|--|---|------------------------|
| <b>“Clean and green” – tenement recycling, waste services and energy initiatives</b> | <p>Delivery of targeted deep-clean initiative to raise standards of street cleanliness in the city. This funding will improve the overall appearance of our streets while complementing the actions of the Waste and Cleansing Improvement Plan.</p> <p>Funding of £0.1m will be made available to support the Council take forward preparatory work linked to the Community Empowerment Act.</p> <p>A programme of sustainability-based projects will also be developed.</p> | 1.500                  |
| <b>Community events fund</b>   | A number of community events, including a mass participation cycling event and Edinburgh Urban Light Festival, will be supported.   | 0.200                  |
| <b>TOTAL</b>   |   | <b>9.998</b>           |

#### **Capital investment**

| <b>Broad theme</b>  | <b>Summary description of investment</b>   | <b>Allocation (£m)</b> |
|---|--|------------------------|
| <b>Energy efficiency initiatives, parks and green space</b> | Subject to development of accompanying business cases, the funding would support Council investment in two projects: the Granton Waterfront Greenspace Programme and Salvesen Steps Replacement. | 0.850                  |
| <b>Open libraries solution</b>                              | The investment will be used to implement open technology in five libraries and five community centres, supplementing available staffed opening hours.  | 0.350                  |
| <b>Rising school rolls</b>                                  | The allocation will be used to supplement available funding for the rising school rolls project, thereby meeting in full the associated expenditure requirement in 2017/18 and 2018/19.          | 1.078                  |
| <b>TOTAL</b>  |  | <b>2.278</b>           |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Report by the Accounts Commission – Local Government in Scotland: Performance and Challenges 2017

|                   |     |
|-------------------|-----|
| Item number       | 7.4 |
| Report number     |     |
| Executive/routine |     |
| Wards             |     |

### Executive summary

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Following the publication in November 2016 of its Scotland-wide review of 2015/16 local government financial performance, the Accounts Commission has now issued a complementary, more forward-looking report assessing councils' readiness to confront the growing challenges that lie ahead. The report re-emphasises a number of previous messages of relevance to all councils in Scotland. These messages include the importance of long-term financial planning, the need for active consideration of all appropriate service delivery options and the increasingly wide required skills set for elected members across the areas of option appraisal, scrutiny, audit and risk management.

### 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> |

## Report by the Accounts Commission – Local Government in Scotland: Performance and Challenges 2017

### 1. Recommendations

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- 1.1 Members of the Finance and Resources Committee are asked to:
- 1.1.1 note the contents of the report; and
  - 1.1.2 refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

### 2. Background

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- 2.1 In recent years, as an integral part of its annual programme of scrutiny and inspection across Scotland's local authorities, the Accounts Commission has published a high-level, independent overview report. This annual report has drawn upon work undertaken in the preceding audit year, summarising findings and key themes emerging from financial statement, Best Value, Community Planning and wider performance audits.
- 2.2 For 2015/16, a slightly different approach has been adopted. Rather than providing coverage across all of the above areas within the overview, a series of discrete reports will instead be issued. In this vein, an initial financial overview report was issued in late November 2016 and [considered by the Finance and Resources Committee on 19 January 2017](#). The report concluded that, across local government as a whole, financial health in 2015/16 was generally good, with a slight increase in reserve levels and a reduction in overall debt. In view of on-going increases in demographic-led demand and additional pressures linked to inflation, legislative reform and reducing real-terms resource levels, however, the report reiterated the importance of effective budget management and long-term financial planning.
- 2.3 The follow-up *Performance and Challenges 2017* report, released on 7 March, provides a high-level, independent view of the challenges facing councils, assessing how well they are addressing these and what more they can do going forward. The recommendations of the report intentionally complement those set out in the earlier Financial Overview.
- 2.4 The report's findings are aimed primarily at councillors and senior officers, supporting them in their increasingly complex and demanding roles. As with previous similar reports, [a self-assessment checklist](#) is provided to assist councillors in understanding their own council's position and scrutinising its performance, thereby informing the difficult decisions that lie ahead. A brief good practice supplement accompanies the report.

- 2.5 Given its Scotland-wide coverage, the report's recommendations are correspondingly general, although two Edinburgh-based examples are quoted in the good practice supplement. Other reports focusing specifically on the Council's activities are, however, regularly considered by the Finance and Resources and Governance, Risk and Best Value Committees. Of particular relevance is the Council's [Annual Audit Report](#), considered by the Finance and Resources Committee on 1 December 2016. Additional commentary in some of the areas covered in the Annual Audit Report was set out in the [External Audit Plan 2016/17](#) reported to the Governance, Risk and Best Value Committee on 9 March 2017.

### 3. Main report

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#### Overview of report content

- 3.1 The Accounts Commission report comprises three distinct sections. The first provides a succinct, high-level overview of the challenges facing all councils (summarised on pages 15 to 17 of the report). This overview incorporates commentary and analysis of the impact on councils of demographic change. It also highlights significant legislative reform affecting several core local government services, all set against a backdrop of on-going reductions in real-terms funding levels.
- 3.2 The second and third sections then proceed to examine how councils have responded to these challenges, emphasising that further incremental changes are unlikely to be sufficient to deliver the required level of savings and sustain performance improvement. The report reiterates the importance of longer-term financial planning, comprehensive workforce plans and further control of sickness absence levels, as well as a need for effective leadership in considering all options for service delivery and transformation, underpinned by robust option appraisal.

#### Relevance to Edinburgh

- 3.3 As noted above, given the report's Scotland-wide coverage, there are few Edinburgh-specific references but the following observations may be made:
- 3.3.1 **Exhibit 3** – the Council's change in revenue grant funding over the period from 2010/11 to 2017/18 has been similar to that for Scotland as a whole. While its share of most needs-based indicators has increased slightly, these relative gains have been offset by a proportionately larger reduction in the level of support for historic borrowing based on debt repayment profiles. In light of this level of funding reduction, some £240m of savings have been approved for delivery between 2012/13 and 2017/18 inclusive to maintain financial balance;
- 3.3.2 **Paragraphs 15 – 21** – including payments made in respect of the operation and maintenance of PPP facilities, almost 75% of the Council's frontline service expenditure relates to the provision of education and



social work services. In view of both pupil:teacher ratio commitments and significant on-going demographic pressures affecting these areas (particularly within the early years and school-age population, as shown in Exhibit 4 on page 14 of the report), this reinforces the need for transformational and/or service prioritisation approaches to be adopted across all influenceable areas of expenditure if financial sustainability is to be maintained;

- 3.3.3 **Paragraphs 24 – 32** – as the largest single element of Council expenditure, significant savings have been delivered through staffing efficiencies, with the roll-out of the transformation programme seeing overall staff numbers reduce by 1,009 FTE (6.7%) between December 2015 and December 2016. The Council also has an organisation-wide workforce plan, informed by a comprehensive review of good practice adopted elsewhere, in place. In view of steady increases in sickness-related absence levels in recent months, however, a refreshed action plan has been approved by the Council’s Leadership Team. This plan includes weekly reporting on actions taken and proposed, simplification of associated policies and procedures and renewed promotion of the Employee Assistance Programme. Successful approaches adopted in areas with higher sickness absence levels are also being publicised more widely;
- 3.3.4 **Paragraphs 33 – 38** – as noted above, the Council’s transformation programme has targeted the securing of £70.5m of recurring annual savings by 2018/19. Progress in implementation has been closely tracked, with the latest assessment indicating that over 99% of these savings are expected to be delivered. In-year delivery of all approved savings (including more challenging, demand management and service redesign initiatives within Health and Social Care), at 92%, also continues to reflect the improvements in realisation of savings apparent in recent years. These achievements contributed to Audit Scotland’s conclusion within the Council’s most recent Annual Audit Report that the Council had made significant progress in addressing its medium-term financial challenges. In view of current forecasts of future grant funding settlements, however, it is anticipated that further savings will be required both to bridge residual funding gaps and provide for major infrastructural investment requirements within the city;
- 3.3.5 **Paragraphs 41 – 53** – provide a Scotland-wide overview of performance across a range of cost-based and more outcome-focused indicators. Despite real-terms reductions in funding, service performance shows general improvement. While the report includes specific reference to significant reductions in the cost of street cleaning within Edinburgh over recent years, a detailed assessment across a more balanced range of performance measures, linked to the four strategic themes in the Council’s business plan, [was reported to Council on 15 December 2016](#). Further analysis of the results of the Local Government Benchmarking

Framework (LGBF) will also be undertaken once finalised data are available;

- 3.3.6 **Case Study 2, page 31** – the report highlights the successful *Leith Decides* participatory budgeting initiative as an example of good practice. In view of the Scottish Government's wider aspiration for 1% of councils' budgets to be allocated by means of such approaches, however, opportunities are being explored to extend the principles to further areas of Council expenditure, consistent with both the Community Empowerment Act and the Council's locality-based operating structures.
- 3.4 The final section of the report sets out a number of key messages and priorities for councils in the coming years, highlighting the importance of:
- 3.4.1 effective, strategic leadership from elected members;
  - 3.4.2 the development and/or refresh of long-term financial strategies and plans; and
  - 3.4.3 appraisal of all possible options for change in the delivery of services, involving local communities in this process.
- 3.5 The Council's business and financial planning framework is built from an understanding and a vision of the pressures the Council is likely to face in the next few years.
- 3.6 In view of the anticipated increase in the Council's overall savings requirement relative to current planning assumptions, a revised business plan, informed by consideration of a range of service delivery models, will be presented to the incoming Administration before the summer recess.
- 3.7 While the Council was one of the first in Scotland to develop a long-term financial plan and approved [a medium-term financial strategy](#) in June 2015, opportunities to link these plans more closely with wider organisational plans and strategies will be examined.
- 3.8 Direction provided by the Scottish Government and the responsibilities which local authorities are asked to deliver will change the public policy environment in which the Council operates. The Community Empowerment Act, passed in June 2015, represents one key programme of reform underway across Scotland to address these issues and increase community involvement in public service delivery. This act reformed a range of policy areas relating to community participation, including community planning, community right to buy of land, involvement of communities in public service delivery and communities taking on public assets and public goods. The legislation has been significant and is leading to a renewed focus towards increased community involvement in the way local authorities deliver services.
- 3.9 In light of the challenges, the Council needs to keep a clear focus on ensuring that it continues to provide universal service delivery at the right standard and to the right quality, while still responding to the wider environment in which it operates. The Council's strategic direction will ensure that performance is

retained and services are transformed to deliver a financially sustainable future Council.

- 3.10 Given the certainty of both significant numbers of newly-elected councillors and changes in political leadership roles after the Local Government elections in May 2017, a comprehensive elected member induction and training programme is being developed.

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

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- 4.1 The report reiterates a number of principles of sound financial management and assesses councils' current practices against these. The Council's own arrangements were assessed to be effective as set out in this year's Annual Audit Report, with expenditure contained within budget for the ninth successive year and a significant improvement in the delivery of approved savings.
- 4.2 In the more immediate context of the 2017/18 financial year, the key targets are achieving a balanced overall budget outturn position and successful delivery of approved savings and key service performance indicators.

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

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- 5.1 Delivery of a balanced budget in any given year is contingent upon the development, and subsequent delivery, of robust savings, alongside management of all risks and pressures, particularly those of a demand-led nature.

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

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- 6.1 An annual report on the risks inherent in the budget process is considered by the Finance and Resources Committee in January and referred to Council as part of setting the revenue and capital budgets.
- 6.2 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the expected service impacts outlined in the respective budget templates. Subsequent delivery is being reported to the Finance and Resources Committee on a bi-monthly basis.
- 6.3 Wider progress in the delivery of targeted outcomes is assessed as part of twice-yearly performance updates, the most recent of which was reported to Council in December 2016. The effectiveness of the Council's wider governance framework is similarly assessed on an annual basis, with [the most recent such review](#) reported to the Governance, Risk and Best Value Committee on 18 August 2016.

## 7. Equalities impact

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- 7.1 Proposals comprising the budget framework are assessed for their corresponding potential equalities and human rights impacts. The results of this assessment are reported to the Finance and Resources Committee to allow members to pay due regard to them in setting the Council's budget.

## 8. Sustainability impact

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- 8.1 The proposals comprising the budget framework are also subject to an assessment of their likely corresponding carbon, climate change adaptation and sustainable development impacts, with the results reported to the Council as part of annual budget-setting.

## 9. Consultation and engagement

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- 9.1 Building on last year's successful engagement, a similar process focusing on future service delivery arrangements as part of the Council's wider transformation programme was undertaken in October and November 2016. The insight generated through this exercise informed the content of the Council's budget as approved on 9 February 2017.

## 10. Background reading/external references

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[City of Edinburgh Council: External Audit Plan 2016/17](#), Governance, Risk and Best Value Committee, 9 March 2017

[Report by the Accounts Commission – Local Government in Scotland: Financial Overview 2015/16](#), Governance, Risk and Best Value Committee, 19 January 2017

[The City of Edinburgh Council: 2015/16 Annual Audit Report to Members and the Controller of Audit](#), Finance and Resources Committee, 1 December 2016

[Corporate Governance Framework](#), Governance, Risk and Best Value Committee, 19 August 2016

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

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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 – Deliver lean and agile Council services  |
| <b>Single Outcome Agreement</b> | SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all<br>SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health<br>SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential<br>SO4 – Edinburgh’s communities are safer and have improved physical and social fabric |
| <b>Appendices</b>               | One – Report by the Accounts Commission - Local Government in Scotland: Performance and Challenges 2017   |

Local government in Scotland

# Performance and challenges 2017



ACCOUNTS COMMISSION 

Prepared by Audit Scotland  
March 2017


# The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: [www.audit-scotland.gov.uk/about-us/accounts-commission](http://www.audit-scotland.gov.uk/about-us/accounts-commission) 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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| Part 2. Councils' responses to the challenges | 18 |
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## Links

-  PDF download
  -  Web link
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## Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

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These question mark icons appear throughout this report and represent questions for councillors.

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# Chair's introduction



Scotland's councils are operating in an increasingly demanding environment. New and returning councillors face major challenges from continued reductions in their funding from the Scottish Government, and greater demands for services from an ageing population and, in parts of the country, a growing school population. The scale of these challenges mean it is more important than ever that councillors provide effective leadership in setting a clear strategy and make the difficult decisions that will be needed. We have repeatedly stressed the importance of councils having established clear priorities and effective long-term plans. As reported in our 2015/16 financial overview, only 14 councils have long-term financial strategies in place to support delivery of their wider strategic priorities. We acknowledge that annual funding settlements from the Scottish Government make this more challenging but we remain firmly of the view that the absence of indicative funding should not prevent councils from projecting future income and expenditure, and planning accordingly.

Any council tax increases in 2017 may increase public expectations of local government. Paying more for potentially fewer or reduced services will be a difficult argument to sustain, and even more so if compounded by possible increases in other charges. In our report [\*Charging for services – are you getting it right?\*](#) (2013), we said 'charges should not be set in isolation. Any decision to vary or introduce charges should take account of the council's priorities and financial objectives; they should not be seen solely as a means of generating income'.

Councils are increasingly relying on the use of reserves to bridge projected funding gaps. Moreover, recent Best Value audits have highlighted a dependency on incremental changes to services, increasing charges and reducing employee numbers in order to make savings. These are neither sufficient nor sustainable solutions for the scale of the challenge facing councils. We stress the need for a greater openness to alternative forms of service delivery and the consequences of not conducting comprehensive option appraisals; services may not be as efficient or effective as they could be; and may not be achieving value for money; resources may not be directed to priority areas, and councils may not be able to demonstrate that they are achieving best value. The extent to which councils are evaluating their performance and appraising all available options for service delivery will be an important feature of our revised approach to auditing Best Value.

We recognise that councils are generally maintaining or improving performance in many services. But benchmarking data shows a wide variation in the cost of delivering services throughout the country, suggesting there are potential opportunities for councils to make further savings.

These are not the only challenges that councils face. They will need to respond effectively to national policy priorities in the Scottish Government's Programme for Government and, along with their partners, will need to demonstrate progress in integrating health and social care and in meeting the requirements of the Community Empowerment Act.

Local government elections in 2017 could see a significant change in elected members. Any change in leadership and administrations may delay the process of change as new priorities are established and new working relationships develop. In our recently published report, [\*Roles and working relationships in councils – Are you still getting it right?\*](#)  (2016), the Commission highlighted how local government has become much more complex and fragmented and that this additional complexity demands a broader set of skills for councillors, not only in option appraisal but also in scrutiny, audit and risk management all of which are becoming increasingly important. Councillors elected in May must have the necessary training and tools to do an increasingly complex job. We asked councils to ensure comprehensive training is in place for these key roles.

The Commission hopes that this overview report will be a helpful tool to enable councillors and officers to stand back and assess their council's progress. Indeed one of the most important documents in the next iteration of best value will be a council's self evaluation. The more effectively a council can demonstrate a high degree of self awareness of the challenges and improvements it needs to make, the better placed will be that council in becoming one that can demonstrate continuous improvement.

As always, the Commission welcomes feedback on its overview report.

**Douglas Sinclair**  
Chair of the Accounts Commission

# Summary



## Key messages

- 1** Councils have faced significant challenges from a long-term decline in revenue funding and from an ageing and growing population. The scale of these challenges continues to grow. Policy and legislative changes are also placing additional demands on councils and changing how councils work.
- 2** Councils are responding to the challenges by continuing to adopt alternative ways of working, reducing the level of service they provide and reviewing fees and charges. While some councils are making good progress in managing services and delivering savings, others are not. The pace and scale of reform needs to increase in some councils. Despite these challenges, councils' performance has been maintained or improved.
- 3** With reducing budgets and workforces, councils will find delivering improvements increasingly difficult. It is critical, therefore, that they set clear long-term strategies and plans that target effort on priority areas. This includes organisation-wide workforce plans to ensure councils have the capacity to manage change and deliver services going forward. A councillor's role is complex, demanding and evolving. They are required to provide effective and strategic leadership, and it is therefore critical that their knowledge is up to date and skills are refreshed to enable them to establish strategic priorities, fully assess options for change and hold services to account.

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## Recommendations



### Councils should:

- set clear priorities supported by long-term strategies and medium-term plans covering finances, services, performance and workforce. These plans should inform all council decision-making, service redesign, savings and investment decisions. [Exhibit 14 \(page 34\)](#) sets out the main elements of a councils' financial planning processes and how these link with other council plans
- ensure that budgets are clearly linked to their medium-term financial plans and long-term financial strategies. Budgets should be revised to reflect true spending levels and patterns. This requires good

financial management and real-time information to ensure spending is accurately forecast and monitored within the year

- have an organisation-wide workforce plan to ensure the council has the people and skills to manage change and deliver services into the future
- ensure workforce data allows thorough analysis of changes to the workforce at an organisation-wide and department level. This will allow councils to better assess the opportunities and risks in staff changes
- thoroughly evaluate all options for change and service redesign, including options for investing to save, and monitor the impact of change on council priorities and desired outcomes
- support communities to develop their ability to fully participate in setting council priorities and making decisions about service redesign and use of resources
- ensure councillors get support to develop the right skills and knowledge to fulfil their complex and evolving roles
- ensure there is clear public reporting of performance linked to council priorities to help communities gauge improvements and understand reduced performance in lower priority areas
- continue to work to understand the reasons for variation in unit costs and performance, and collaborate to identify and adopt good practice from each other.



## About this report


**1.** This report provides a high-level, independent view of the challenges facing councils, how well they are addressing these and what more they can do. It draws on findings from [Local government in Scotland: Financial overview 2015/16](#) , local government audit work in 2016 (including annual audit reports, Best Value audit reports and national performance audits) and published performance data. All audit reports are available on our [website](#) .

**2.** This report is primarily for councillors and senior council officers as a source of information and to support them in their complex and demanding roles. It covers three areas:

- The current and future challenges facing councils.
- Councils' progress in meeting these challenges, including performance in key service areas, public satisfaction and unit costs.
- What more councils can do to ensure they are best placed to successfully manage the changes and challenges they face.

**3.** The 2017 local government elections could result in new councillors and changes to the political make-up of councils. To help councillors who are new to the role, those who are re-elected, and council officers, we have produced the following supplements to accompany this report:

- [\*\*\*A self-assessment checklist for councillors\*\*\*](#)  – this has questions that councillors could ask to help them understand their council’s position, scrutinise performance and make difficult decisions. Councillors should feel they fully understand, and are satisfied with, the answers to the questions most relevant to them in their role within the council.
- [\*\*\*Good practice supplement\*\*\*](#)  – a summary of the good practice we identified during the audit. It is not an exhaustive list of all good practice across Scotland but provides examples of councils improving performance and processes or using innovative techniques. This may be a useful source of reference for councillors or senior officers when appraising options for changes.

**4.** Councillors may also find it helpful to refer to our recently published report, [\*\*\*How councils work: Roles and working relationships in councils – are you still getting it right?\*\*\*](#) . This highlights the increasingly complex nature of local government and includes a series of questions designed to help councillors and officers review current practice and make sure governance arrangements are fit for purpose.

**5.** We refer to real-terms changes in the report, meaning that figures are adjusted for inflation, when we are showing financial information from past and future years. Our analysis of local government funding adjusts figures into 2016/17 prices to reflect the current financial year. Where the report focuses on council performance in 2015/16, figures have been adjusted to 2015/16 prices.

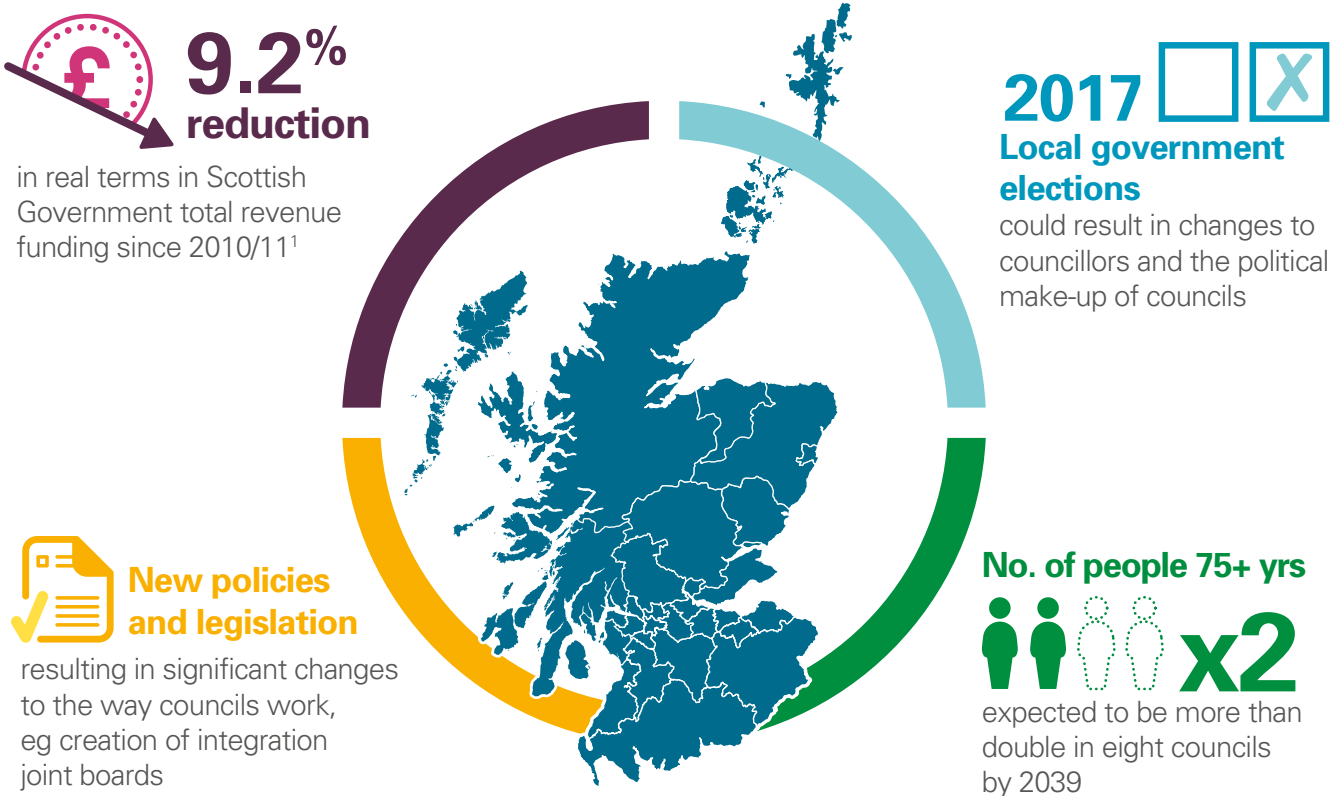
# Part 1

## The challenge for councils



6. Councils continue to face significant financial and demographic challenges, and the scale of these continues to grow. Council budgets are under increasing pressure from a long-term decline in revenue funding (in real terms) from the Scottish Government, and council services are under pressure from an ageing and growing population. Policy and legislative requirements are also changing how councils work and the services they must deliver ([Exhibit 1](#)).

### Exhibit 1 The environment in which Scotland's councils are operating Councils are facing a number of different challenges.



Note: 1. Scottish Government funding for 2017/18 is subject to Parliamentary approval.  
Source: Audit Scotland

## The funding challenge for councils continues to deepen

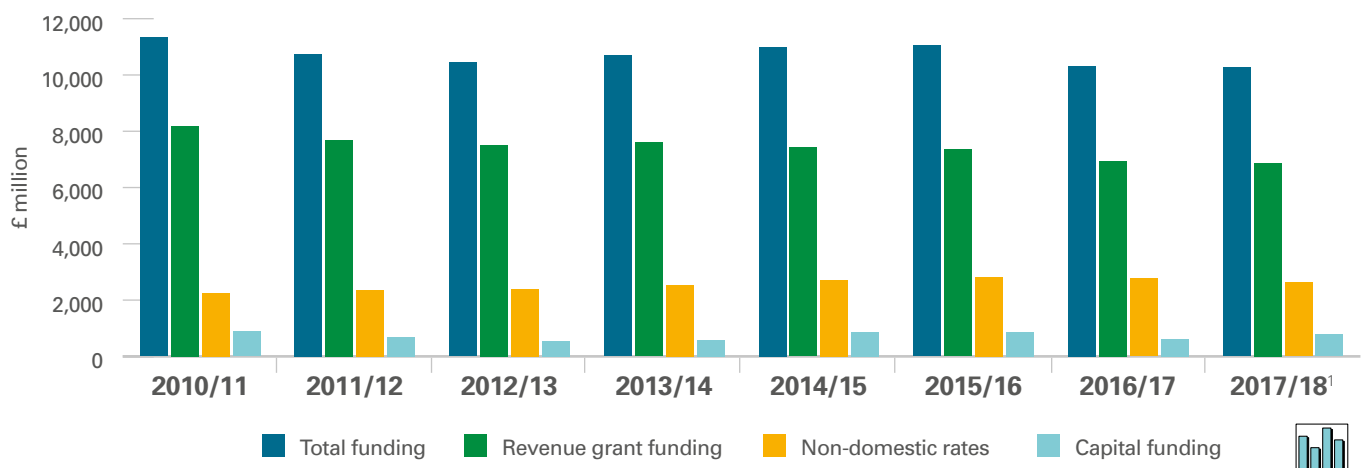
7. Councils receive most of their income (about 60 per cent) from the Scottish Government.<sup>1</sup> We previously reported that there has been a long-term reduction in total Scottish Government revenue funding, for day-to-day spending, to local government; and that further reductions were expected.<sup>2</sup> Since then, the Scottish Government has published its 2017/18 budget and a single year local government funding settlement for 2017/18. This is subject to Parliamentary approval.

8. Based on Scottish Government proposals, between 2016/17 and 2017/18, total revenue funding from the Scottish Government will reduce by about £216 million in real terms (2.2 per cent). Both non-domestic rates and revenue grant funding will reduce, by 5.1 per cent and 1.1 per cent respectively ([Exhibit 2](#)).

### Exhibit 2

#### Scottish Government funding to councils from 2010/11 to that proposed in 2017/18 (at 2016/17 prices)

The most recent local government funding settlement continues the trend of a long-term reduction in revenue funding.



Notes:

- Figures for 2017/18 are subject to Parliamentary approval.
- Funding allocations up to 2012/13 have been adjusted to remove funding for police and fire. Responsibility for these services transferred from local to central government in April 2013. We have also adjusted figures for specific elements of funding related to adjustments for police and fire pensions.
- Since 2013/14, Scottish Government revenue funding has included payments of about £350 million per year to fund council tax reductions, replacing council tax benefit which previously came from the UK Government.
- The 2016/17 figures do not include £250 million the Scottish Government allocated to health and social care integration authorities specifically for social care. This is an allocation from the Scottish Government health budget to NHS boards rather than councils, and NHS boards allocate funding to the integration authorities. Integration funding, including the uplifted integration funding for 2017/18 and additional £107 million primarily to support implementation of the living wage for social care staff, is also excluded from 2017/18 figures.

Source: *Local Government Finance Circulars 2011-16*, Scottish Government

9. If approved, the 2017/18 settlement means that total revenue funding will decrease by 9.2 per cent from £10.5 billion in 2010/11 to £9.5 billion in 2017/18. A 16.3 per cent decrease in revenue grant funding has been partially offset by a 16.5 per cent increase in non-domestic rate income.<sup>3</sup> The Fraser of Allander Institute predicts a total reduction of £1 billion to local government revenue funding between 2016/17 and 2020/21.<sup>4</sup>

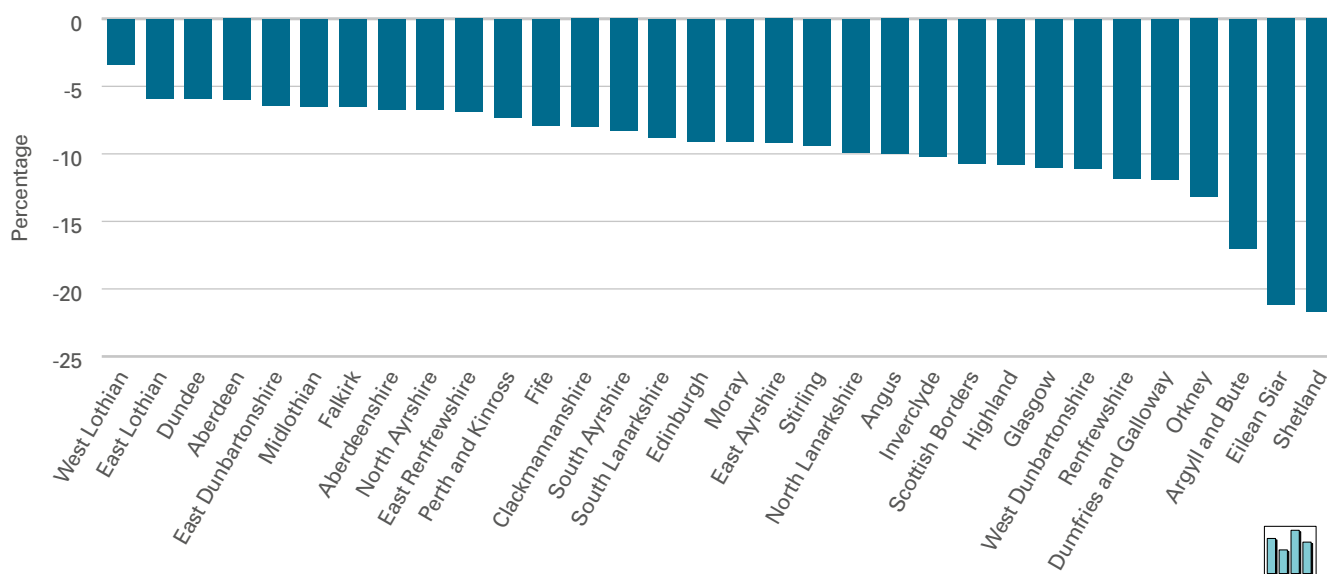
**10.** Although some elements of total revenue funding are allocated separately, such as funding for probationary teachers or elements of the council tax reduction scheme, the majority of revenue funding is distributed to individual councils. This funding is made up of non-domestic rate income, a small number of specific grants and general revenue grant funding. The Scottish Government distributes this funding to councils using a formula based on factors such as population, deprivation and rurality.

**11.** This means that not all councils have experienced the same level of reductions in funding. For example, Scottish Government funding for Comhairle nan Eilean Siar and Shetland Islands Council will reduce by over 20 per cent between 2010/11 and funding proposed in 2017/18, whereas 21 councils saw a reduction of less than ten per cent ([Exhibit 3](#)).

### Exhibit 3

#### Changes in Scottish Government revenue funding by council, 2010/11 to that proposed in 2017/18 (at 2016/17 prices)

There is wide variation in changes in revenue funding allocated to councils.



#### Notes:

1. Figures for 2017/18 are subject to Parliamentary approval.
2. Figures are based on the distributable elements of initial funding allocations and include grant revenue funding, non-domestic rate income and a small number of specific grants.
3. 2010/11 funding has been adjusted to remove funding for police and fire. We have removed the specific police grant and the police grant element of the general revenue grant and estimated the share of distributable funding specifically for fire based upon councils' share of the total Grant Aided Expenditure and Scottish Government budget documentation.
4. There are elements of distributable funding that may not feature in all years across the period.

Source: *Local Government Finance Circulars 2011-16*, Scottish Government

### Councils' ability to increase council tax in 2017 will have a limited impact on their financial position


**12.** The Scottish Government and councils agreed to freeze council tax levels in 2007. Although the Scottish Government provided funding of £70 million each year to compensate councils financially, the freeze did limit councils' flexibility to respond to changes in demand and grant funding by varying their tax rate accordingly. The council tax freeze will be lifted from April 2017. This gives councils the opportunity to increase their council tax charges by up to three per cent a year.



**13.** Not including direct funding for the council tax relief scheme, councils raised £2.1 billion from council tax in 2015/16 (10.9 per cent of total income). If councils had the ability to increase council tax rates by three per cent in 2015/16, and all had done so, this would have marginally increased the share of total income raised from council tax by 0.3 per cent to 11.2 per cent.<sup>5</sup>

**14.** In 2017/18, any additional income raised from increasing the general rate of council tax will be supplemented by income generated because of Scottish Government reforms to higher council tax bands. As part of the 2017/18 local government funding settlement, the Scottish Government has estimated these reforms will generate £110.5 million. Due to the make-up of council funding, however, the ability to increase council tax by up to three per cent per year will continue to have a relatively limited impact on the total income available to councils.

### Education and social work make up an increasing proportion of council spending

**15.** In 2015/16, councils' net spending on services, that is spend minus service income, was £12.4 billion. Our [Local government in Scotland: Financial overview 2015/16](#)  report shows that £8.8 billion (71 per cent) of this was spent on providing education and social work services. Between 2011/12 and 2015/16, the proportion of relevant council spending on these two services increased from 69 per cent to 71 per cent. This increase is likely the result of a number of factors including:

- growing service demands, particularly on social care from an ageing population
- commitments to deliver national policy priorities, such as maintaining pupil to teacher ratios.

**16.** The proportion of spending on education and social work varies across councils, from about 60 per cent in Orkney Islands, Shetland Islands and Aberdeen City councils to about 80 per cent in Clackmannanshire Council. This could have implications for where councils can make future savings, particularly once charges associated with privately financed assets (via the Public Finance Initiative, Public Private Partnership and Non-profit distributing models) and debt repayment costs are factored in.

**17.** Analysis by Inverclyde Council in April 2016 shows that, of its £190 million spending in 2016/17, £145 million is on education and social work or on areas the council considers protected. This leaves £45 million to spend on other services such as roads, environmental services and corporate services. The council has estimated that it needs to make savings of £25.8 million between 2017/18 and 2019/20. Even if it makes five per cent of savings in education, social work and other protected budgets, it will potentially need to make savings of over 40 per cent in other service budgets such as roads and environmental services.

**18.** Research on Scotland's 2016 budget analysed the impact on other council services of the Scottish Government's commitment to protect areas such as healthcare and childcare spending. It found that other services could face average reductions of ten to 17 per cent over the next four years.<sup>6</sup>

**19.** Increasing demand for education and social care services from population change and national initiatives may make it harder for councils to control spending in these two services. Indeed, about a third of councils overspent their social

care budgets in 2015/16. However, these services do need to be included in councils' discussions on savings as it is possible to make savings and improve performance. We have previously reported that a group of seven councils decreased spending on education by more than five per cent between 2010/11 and 2012/13, while their percentage of S4 pupils achieving five awards at level five increased by more than the national average.<sup>7</sup>

## Councils face further challenges from a growing and ageing population

**20.** Predictions of population change suggest that, if all other things remain the same, councils will continue to spend an increasing proportion of their budgets on education and, through integration joint boards, on social work. Between 2014 and 2039, the number of children (defined as aged 0-15) is expected to increase by 1.4 per cent to about 924,000; and the number of people aged 75 and over by 85 per cent to over 800,000.

**21.** The challenge of population change is expected to vary across the country. Some councils will see their total populations falling while the number of people aged 75 and over will increase. For example, Comhairle nan Eilean Siar's population is expected to fall by 14 per cent by 2039 with an increase of 64 per cent of residents who are aged 75 and over. In other councils, the whole population is projected to increase. The number of people aged 75 and over is expected to more than double in eight councils by 2039.<sup>8</sup> This is likely to have a significant impact on demand for health and social care services. The number of people aged 15 and under is expected to increase by 25 per cent in Midlothian Council and decrease by 28 per cent in Comhairle nan Eilean Siar over the same period ([Exhibit 4, page 14](#)).

## The environment within which councils operate is changing

**22.** Legislative and policy changes affect the way councils work. Councils will have to implement and manage significant legislative and national policy changes initiated by the Scottish Government, although some of the detail is still not clear ([Exhibit 5, page 15](#)). Some of these changes, such as the creation of integration joint boards (IJBs), have already fundamentally altered the role of councils. Some change the relationship between councils and the Scottish Government, NHS boards and local communities. While these changes provide opportunities for positive change, implementing them will require council capacity in terms of staff time, knowledge and skills. Additional funding may also be required, at least in the short term.

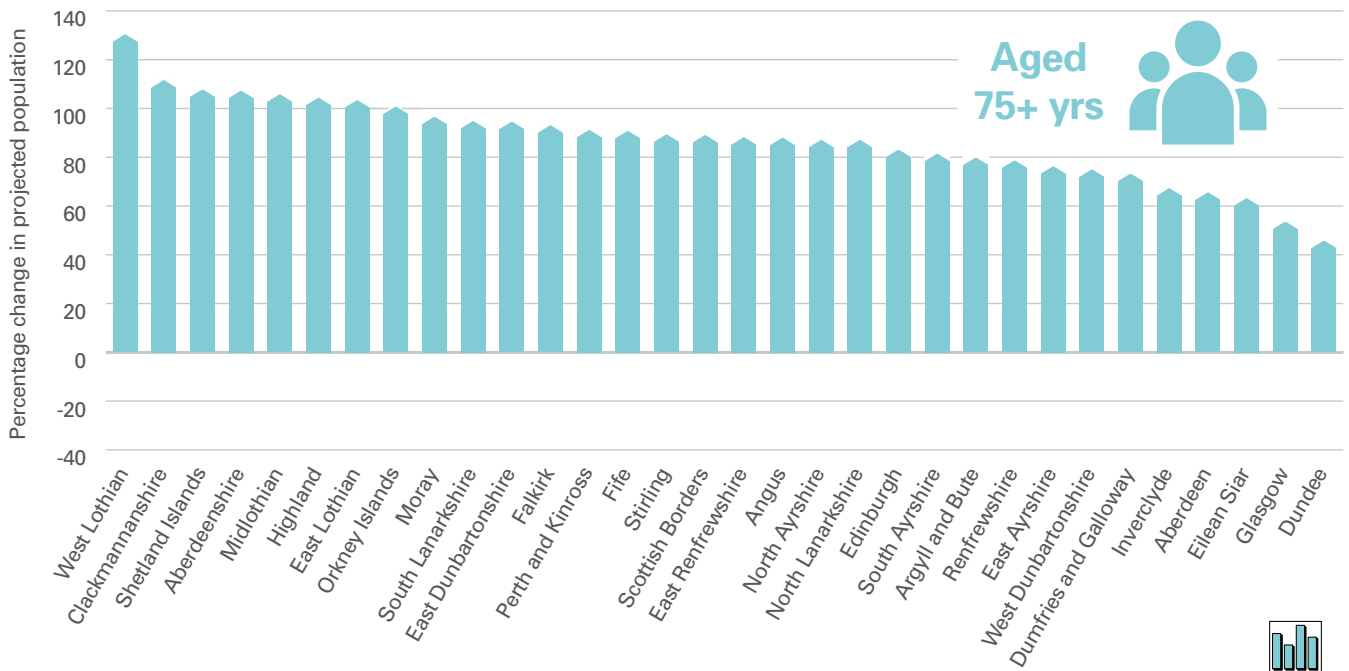
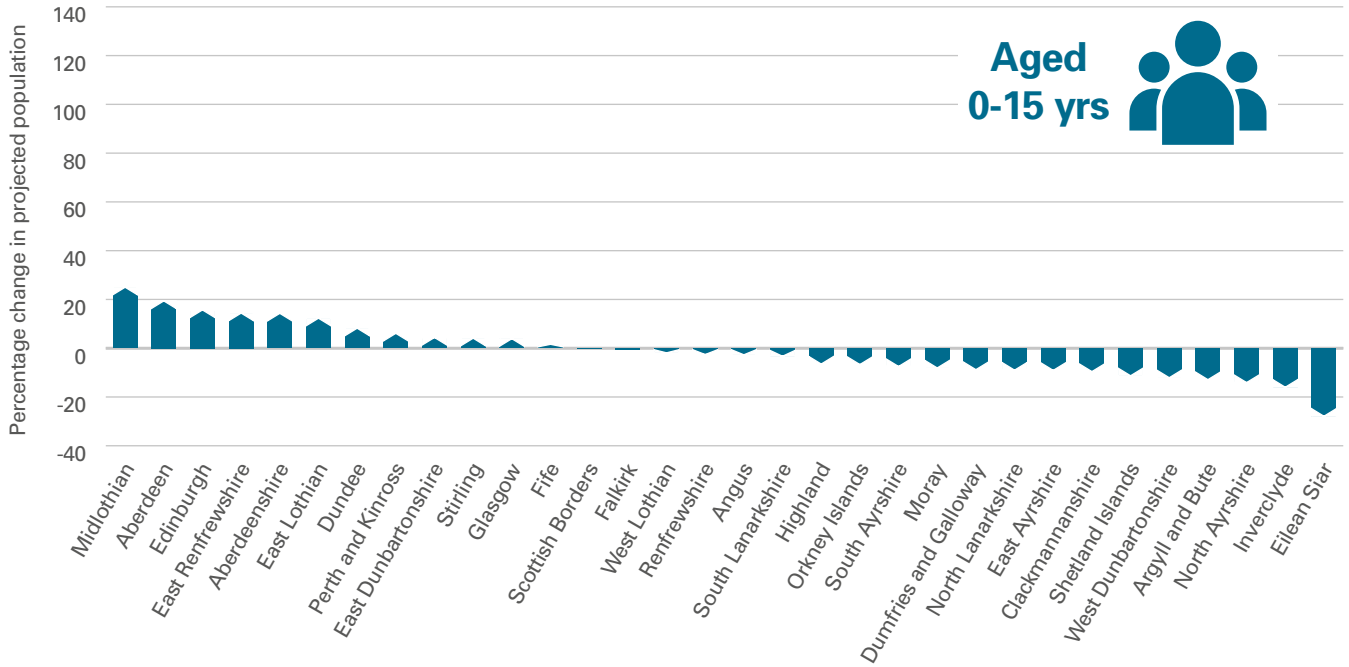
**23.** Councils also face further challenges and uncertainties:

- The United Kingdom's decision to leave the European Union will have an impact on councils' work. It is unclear what impact it will have and where, but some councils are starting to plan for a number of scenarios.
- The Scottish Government is currently considering a local democracy bill. This is still at an early stage so the details and impact on councils are not known.
- Equal pay remains an issue across local government. We are auditing equal pay in councils and will publish a report later in 2017.

### Exhibit 4

#### Projected percentage change in population, 2014 to 2039

The projected change in population varies significantly by council.



Source: National Records Scotland, 2016

## Exhibit 5

### Ongoing and planned legislative and policy changes

Councils will have to change the way they work to successfully implement a wide range of reforms.

#### Legislative and policy changes



##### Public Bodies (Joint Working) (Scotland) Act 2014

Councils and NHS boards must integrate health and social care services. Almost all councils have chosen to do this by creating an integration joint board (IJB) with their NHS partners to commission health and social services through joint budgets.<sup>1</sup> Councils will no longer be wholly responsible for adult social work services.

##### Opportunity

- Fully integrate health and social care services to meet the Scottish Government's 2020 Vision of people living longer at home and more health and social care in local communities.
- To provide services which are better targeted to local communities.

##### Challenge

- Agreeing and managing budgets for the IJBs at a time of reduced funding and an ageing population.
- Agreeing how governance in IJBs will work in practice, including lines of accountability, systems and process for decision-making and managing performance.
- Ensuring continuity of progress after the 2017 local government election.
- Promoting public understanding and managing expectations.
- Localities and locality planning are defined differently in the Public Bodies Act and the Community Empowerment Act. This could lead to confusion.



##### Living Wage

Scottish Government commitment to replace the minimum wage (£7.20 an hour) with a living wage (£8.25 an hour) from 1 October 2016.

##### Opportunity

- Reduce inequalities.
- Provide financial benefits for low-paid workers.
- Improve recruitment and retention.

##### Challenge

- Significant increases in employee costs and the costs of some contracts, notably for social care. Costs could become unaffordable. The potential cost for councils of the Living Wage for social care workers is £199 million a year by 2019/20.<sup>2</sup>
- Impact on existing pay structures means new pay models may need to be developed.



##### Community Empowerment (Scotland) Act 2015

To help empower community bodies and ensure communities are involved in planning and decision-making.

##### Opportunity

- Improve outcomes for communities by improving the process of community planning and ensuring local service providers work more closely with communities to meet the needs of the people who use services.

##### Challenge

- Requires new ways of working – councils and other public bodies need to promote and involve communities in local decisions and activities. This includes decisions about how a council's money should be used, including a target of one per cent of all council spending being decided by communities.<sup>3</sup>
- Engaging with harder-to-reach groups could be challenging and expensive, particularly for rural councils.
- Duty to tackle inequalities at a time of budgetary pressures.
- Councils must focus on local community planning and contribute to developing Local Outcome Improvement Plans. This has resource issues.
- Localities and locality planning are defined differently in the Public Bodies Act and the Community Empowerment Act. This could lead to confusion.

## Exhibit 5 (continued)

### Legislative and policy changes



#### Education reform

Additional funding from Scottish Government will be targeted at specific schools to help close the attainment gap (ie, differences in pupil performance in richer and poorer areas). Attainment challenge funding will also go to councils.

#### Opportunity

- Additional money for education and potential increased flexibility for using money.

#### Challenge

- The additional money is to go to head teachers in some schools, removing some decisions about resources from councils.
- Proposed changes to education funding model are causing uncertainty and have an impact on longer-term planning.



#### City Deals

UK and Scottish Government funding initiative which provides significant funding to city regions to develop infrastructure and economy in line with agreed plans.

#### Opportunity

- Economic growth and improved outcomes for communities.
- Councils could benefit from investment in infrastructure such as roads, technology, housing and transport.

#### Challenge

- Requires partnership working with a wide range of public and private partners.
- Governance arrangements, such as roles, responsibilities, accountability and performance reporting, will need to be determined.
- Ensuring continuity of progress after the 2017 local government elections.
- May take longer for some, particularly rural, councils to see benefits.



#### Community Justice (Scotland) Act 2016

Changes arrangements for managing community justice services and creates a new national body, Community Justice Scotland, to be formally established on 1 April 2017.

#### Opportunity

- Integrating community justice planning with wider community planning.
- Improved outcomes for communities and people at risk of offending.

#### Challenge

- Replace eight Community Justice Authorities with community justice governance structures within each Community Planning Partnership.
- Councils are expected to consult with other community justice partners when developing community justice outcome improvement plans to ensure consistency.



#### Named Person provisions

The Scottish Government plans to implement a Named Person service for every child or young person in Scotland. This means that every child will have someone who is responsible for helping them get the support they need. This is expected to start in August 2017.

#### Opportunity

- To promote, support or safeguard the wellbeing of children and young people.

#### Challenge

- Head teachers, deputy head teachers or guidance teachers could be the Named Person for a large number of school-aged children but it is unclear if a limit applies to the number of children assigned to each Named Person.
- Detailed arrangements for how the Named Person will function during school holidays will be left to councils to organise, with the intention being that they build on current practice.
- There may be an impact on teachers' workloads and councils must ensure that people have the skills to deliver the Named Person service.

## Exhibit 5 (continued)

### Legislative and policy changes



#### Early learning and childcare (ELC)

Scottish Government commitment to increase access to funded hours of high-quality and flexible early learning and childcare. Includes plans to increase the entitlement to 1,140 hours per year by August 2020.

#### Opportunity

- To improve outcomes for children, especially those who are most vulnerable.
- To support parents to work, train or study, especially those who need routes into sustainable employment and out of poverty.

#### Challenge

- Councils will need to assess demand, and commission and provide flexible services.
- Councils, private and third sector ELC providers may face challenges in expanding workforces and extending buildings and facilities.



#### Council tax reform

Removal of council tax freeze and increases to the ratios for higher-banded properties.

#### Opportunity

- Removing the council tax freeze will give councils greater control over their income.
- Increased ratios for higher-banded properties will provide additional council tax income.


#### Challenge

- The changes to ratios will lead to increased charges of over 20 per cent for properties within the highest band. However, residents could be paying more for the same level of services which could be a difficult message for councils to manage.



We are carrying out performance audits in these areas later in 2017/18.

#### Notes:

1. Some have also included children's services and community justice services in their IJBs. NHS Highland and Highland Council are the only partners to not create an IJB. They are continuing with lead agency arrangements whereby NHS Highland leads on adult health and care services, with Highland Council leading on children's community health and social care services. These arrangements have been in place since 2012.
2. [Social work in Scotland](#) , Audit Scotland, September 2016.
3. *A Plan For Scotland: the Scottish Government's Programme for Scotland 2016-17*, Scottish Government, September 2016.

Source: Audit Scotland


# Part 2

## Councils' responses to the challenges



### Councils have reduced staff numbers to save money but many do not have workforce plans

#### Councils' workforce has fallen by seven per cent in the last five years

**24.** Councils spend a significant amount on staff and staff-related costs. Most councils have reduced their workforces as a way to reduce costs. Our [Local government in Scotland: Financial overview 2015/16](#)  highlighted that, between 2011/12 and 2015/16, 13,029 individuals left councils through exit packages costing a total of £518.5 million (at 2015/16 prices). Councils' decisions to reduce their workforce numbers through exit packages should be supported by business cases that outline:

- associated costs
- potential savings
- the impact that this will have on the level of skills and experience within the council.

**25.** At March 2016, approximately 198,000 full-time equivalent (FTE) employees worked in Scotland's councils. Between 2011 and 2016, 27 councils reduced their number of FTE employees and councils' total workforce fell by 15,100 FTE (seven per cent).<sup>9</sup> In the last year, 14 councils reduced their number of FTEs, with councils' total workforce reduced by 2,700 (one per cent) ([Exhibit 6, page 19](#)). From the data that is collected centrally by the Scottish Government, it is not clear how many of these moved to arm's-length external organisations (ALEOs).<sup>10</sup>

#### Only half of councils have organisation-wide workforce plans, risking their ability to deliver services and manage change

**26.** Reducing council workforces, if not planned and managed appropriately, can affect the skills mix and capacity of the organisation to deliver, manage and scrutinise services effectively. Councils should have effective systems in place for managing their workforce and monitoring staffing levels. Councils should hold accurate information on staff numbers by grade and department to help them prepare and implement organisation-wide workforce plans. These should be aligned with other long-term plans such as financial plans.



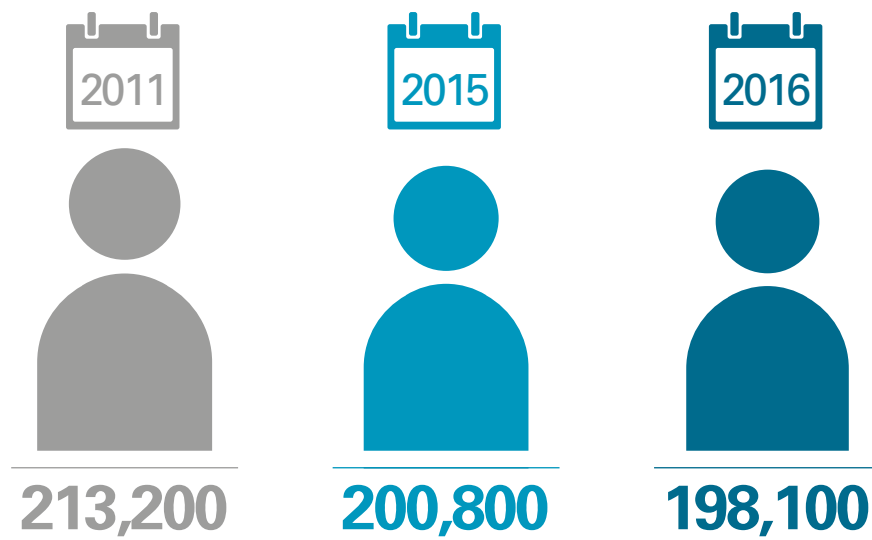
**What do you need the workforce to look like in terms of numbers, skills and knowledge?**

**Does your workforce data allow accurate analysis of changes to the workforce at an organisation and department level?**

## Exhibit 6

### Number of full-time equivalent employees in councils in 2011, 2015 and 2016

Councils reduced their workforce by seven per cent between 2011 and 2016.




Source: *Public Sector Employment in Scotland*, Scottish Government, 2016

**27.** Half of Scotland's councils do not have organisation-wide workforce plans in place. For those that do, the quality of these varies and they do not all include information on:

- the numbers and skills of the current workforce
- the numbers, costs and skills of the desired workforce
- how the move from the current to the desired workforce will be achieved.<sup>11</sup>

**28.** Where comprehensive organisation-wide workforce plans are not in place, councils risk losing capacity in key areas. For example:

- Our report [Maintaining Scotland's roads: a follow-up report](#)  highlighted concerns about a loss of technical and commercial expertise within roads maintenance departments.<sup>12</sup>
- Auditors for East Dunbartonshire Council raised concerns about the capacity within both the finance and the revenue and benefits teams. Within these teams, staff reductions and changes have led to individual officers having sole responsibility for, and knowledge of, certain areas of work.

**29.** National initiatives impact on workforce planning. The Scottish Government's commitment to maintaining teacher to pupil ratios means councils cannot reduce the number of teachers below a certain level. This limits councils' flexibility to reduce staff numbers among a sizeable proportion of staff. The planned expansion of early learning and childcare could mean councils either have to redeploy staff or recruit additional early years workers.



**Do you have an organisation-wide workforce plan with realistic targets and timescales for meeting objectives?**

**Do you think your organisation-wide workforce plan will ensure staff reductions do not have a negative impact on the skills mix and ability of your council to scrutinise, manage and deliver services effectively?**



**30.** The absence of organisation-wide workforce plans means that it is harder for councils to manage workforce changes effectively and ensure that they have the right number of staff with appropriate skills and experience throughout the organisation. This is particularly important given the scale of the challenges and policy and legislative changes councils face. Councils must ensure they have the capacity to manage change and deliver services effectively.

#### Councils have the potential to further reduce staff sickness absence

**31.** Reducing staff sickness absence increases a council's capacity. Nationally, the average number of sickness days for all council staff (excluding teachers) reduced between 2010/11 and 2015/16; however, there is variation across councils. In 2015/16, sickness absence per non-teaching employee varied across councils from an average of 8.8 days a year in Aberdeenshire Council to 14.8 days a year in Comhairle nan Eilean Siar. If councils with high absence levels could reduce these to be in line with the top eight performing councils, they would gain the equivalent staff time of about 650 full-time employees across Scotland. This is a reduction of about ten per cent since 2014/15.

**32.** Sickness absence also varied among teachers in 2015/16, from an average of 4.2 days a year in Midlothian Council to 8.7 days a year in Perth and Kinross Council. If councils with high teacher absences could reduce these to be in line with the top eight performing councils, they would gain the equivalent staff time of over 160 full-time teachers across Scotland. This is a reduction of about 18 per cent since 2014/15.

### The pace and scale of reform need to increase

#### Councils approved savings of over £500 million in 2016/17

**33.** Councils have managed their finances well so far in responding to the pressures they face.<sup>13</sup> In 2016/17, councils approved £524 million of savings and intended to use £79 million of reserves to balance their budgets and meet their funding gaps. Evidence from annual audit reports shows that some councils have made better progress than others. For example, Midlothian Council did not achieve its savings target in 2015/16 and auditors reported that there is a risk that Orkney Islands Council will have to rely heavily on reserves to achieve its target savings. In contrast, auditors highlight the good track record of Inverclyde Council in delivering efficiency savings and note that Renfrewshire Council is expected to make significant savings. East Ayrshire Council has made savings of over £34 million in the five years to 2016/17.

#### Councils are adopting a range of approaches to deliver savings

**34.** Councils are adopting a range of approaches to address their forecasted gap in funding ([Exhibit 7, page 21](#)). While there is some evidence of positive change delivering better services for less money, there is limited progress in other areas.

#### Some councils are better placed to meet future challenges than others

**35.** Looking forward, councils are predicting significant funding gaps up to 2018/19. Using information available at the time councils were setting their 2016/17 budgets, we estimated that councils would have funding gaps of £358 million in 2017/18 and £544 million in 2018/19.<sup>14</sup> These figures are likely to change as councils approve their 2017/18 budgets and continue to identify and deliver savings. However, they do demonstrate the scale of the challenge facing councils.




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**Do you have the staff and skills necessary to manage change and deliver services?**

**Do you need to invest in any skills, for example, change management?**

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## Exhibit 7

### Councils have been adopting different approaches to make savings






There is little evidence of progress in some areas but there are also examples of positive change.





Key fact



Good practice

| Council approach   | Progress  |
|--|---|
|  <p><b>Sharing services</b></p>                     | <p><b>Key fact</b> In 2007, the Scottish Government published guidance relating to shared services. Ten years later, there is limited evidence of councils sharing services. Evidence suggests that most shared services are on a small scale and for back office functions.</p> <p><b>Good practice</b> East Dunbartonshire, Inverclyde, and West Dunbartonshire councils are exploring opportunities to share a range of services, beginning with roads and transportation services. In February 2016, the councils estimated that they may be able to generate recurring savings of about £3.5 million by 2020 (15 per cent of current spending on these services).</p> <p>When councils are considering sharing services, it is important that they have mutually understood and compatible objectives. Differing objectives can be a barrier to sharing services. Councils, together with their citizens, need to agree what their primary aims are, for example reducing costs or improving customer experience, or both.</p> |
|  <p><b>Using ALEOs</b></p>                        | <p>Arm's-length external organisations (ALEOs) can provide services more flexibly than councils, generate income and deliver savings.</p> <p><b>Key fact</b> Evidence suggests that the number of council ALEOs has reduced slightly in 2016 from about 140 to 130. ALEOs provide a range of services across Scotland, with around one third providing leisure and culture services.</p> <p>We are planning to undertake an audit of ALEOs later in 2017.</p>   |
|  <p><b>Using digital and online solutions</b></p> | <p><b>Key fact</b> Digital and on-line solutions provide opportunities for councils to significantly reduce costs. The estimated cost of a face-to-face visit is £8.21, a telephone call is £2.59 and an online transaction is £0.09.<sup>1</sup></p> <p><b>Good practice</b> Glasgow City Council has launched a myglasgow app and a new website which allows users to access or request services online (for example, request a bulk uplift). This is expected to deliver savings of £3 million a year and improve the customer experience.</p> <p>In recognition that more could be done, 27 councils have recently appointed a chief digital officer and chief technology officer to drive change across local services. It is too early to judge the success of this initiative.</p>   |
|  <p><b>Increasing fees and charges</b></p>        | <p>Increasing fees and charges is one way councils can increase their income. National information is not available on changes to charges and fees although there is some evidence of increases in charges in the last year. For example, research by Citizens Advice Scotland shows that burial charges increased by eight per cent between 2015 and 2016.</p>   |
|  <p><b>Reducing/restricting services</b></p>      | <p>There is evidence of councils reducing front-line services.</p> <p><b>Key fact</b> Most councils, through IJBs, now only provide adult social care to people assessed as being of critical and substantial risk. This has reduced the percentage of older people receiving homecare between 2006 and 2015, from just under 70 per 1,000 population to 50 per 1,000. While this has saved councils money in the short term, there is a risk that removing more preventative services will cost more in the longer term.</p> <p>In education, Dundee City Council has closed a high school, saving £756,000. Aberdeen City Council has saved £440,000 a year by removing class size limits for S1 and S2 maths and English classes.</p>  |

## Exhibit 7 (continued)

| Council approach  | Progress   |
|---|--|
|  <p data-bbox="124 600 323 669"><b>Improving procurement</b></p> |  <p data-bbox="437 421 1465 486"><b>Councils have made significant savings in the cost of homecare and care homes through competitive tendering and the national care home contract.</b></p>  |
|   |  <p data-bbox="437 506 1442 674">Through service redesign, councils are also procuring new models of care. For example, in East Ayrshire Council, changes to its model of care for supported living from 24-hour care per person to more flexible care that promotes independence has saved the council almost £500,000 in 2016/17 (about 40 per cent of costs). The council also reports improved service user satisfaction.</p> <p data-bbox="437 696 1458 757">All councils have signed up to Scotland Excel, the Centre of Procurement Expertise for the local government sector.</p> |

Note: 1. 2012/13 figures for councils published by the Society of Information Technology Management (Soctim)

Source: Audit Scotland

**36.** In response, many councils have established corporate change, or transformation, programmes. These are significant council-wide programmes that look at what services councils provide and how they are delivered to identify how a council can save money and improve services. It is clear that some councils are taking a strategic approach and looking at what services they provide as a whole. Others are not. Rather, they are making individual departments responsible for identifying an equal proportion of desired savings. Evidence from annual audit reports shows that some councils are making faster progress than others. For example, Fife Council is still developing its change programme; progress is slow in Clackmannanshire Council; and behind schedule in East Dunbartonshire Council. In contrast, East Ayrshire Council is now working on its second transformation programme.

**37.** Best Value reports also raise concern over the pace of change and the small-scale nature of savings to date. For example, in Falkirk Council, the pace of change remains slow and the council needs to urgently agree its priorities and identify significant savings over the next two years.<sup>15</sup>

**38.** Some councils have lacked capacity to manage their corporate change and transformation programmes. In response, councils, through the Improvement Service, have established the Change Managers Network to support the exchange of skills, knowledge and practice to build capacity in corporate change. As part of councils' financial and savings plans, councils should actively consider options for investing to save such as investing in change management skills.

### Effective leadership is required to explore all options for change

**39.** Effective leadership is required to set a clear strategy for how the council will achieve its priorities and outcomes, and make the difficult decisions that will be needed. Councillors must set the strategy and officers must work up options to implement the change required. The importance of effective leadership has been

demonstrated in our Best Value audit work. For example, South Ayrshire Council has made considerable progress in delivering improvements and meeting financial challenges as a result of effective political and managerial leadership.<sup>16</sup>

**40.** Comprehensive option appraisals, risk assessments and scrutiny are required to assess options for change and to monitor the impact and progress. Auditors at Stirling Council reported that the council has a project-driven approach where all projects need to be fully backed up by business cases and completed option appraisals before a decision is taken. Options are effectively challenged throughout the process to ensure that they are achievable and that the project provides value for money. Evidence also suggests that South Ayrshire Council has a robust system in place to review and improve services ([Case study 1](#)). However, it is a mixed picture in other councils. In Falkirk Council, auditors reported a good level of scrutiny and challenge by councillors. But they also noted a lack of detailed reporting on anticipated and achieved outcomes, with no process in place for providing updates on all projects.



**How well do you scrutinise decisions on financial and service performance?**

**How do you ensure you have the knowledge and expertise you need to scrutinise effectively?**

## Case study 1

### South Ayrshire Council



The council has developed a comprehensive review system to help approve and reform services. This follows a nine-step process and includes topic selection, approval, consultations and options appraisal. The reviews and consultation procedures involve staff at all levels, trade unions and service users.

Through this approach, the council has reported that it is starting to achieve positive results. For example, in April 2015, the council carried out a property maintenance service review that concluded that there has been an overall average increase in productivity of staff of 15 per cent from 2014; and an increase in the number of jobs completed on time, from 68 per cent in 2013/14 to 87 per cent in 2015/16.

Source: Audit reports

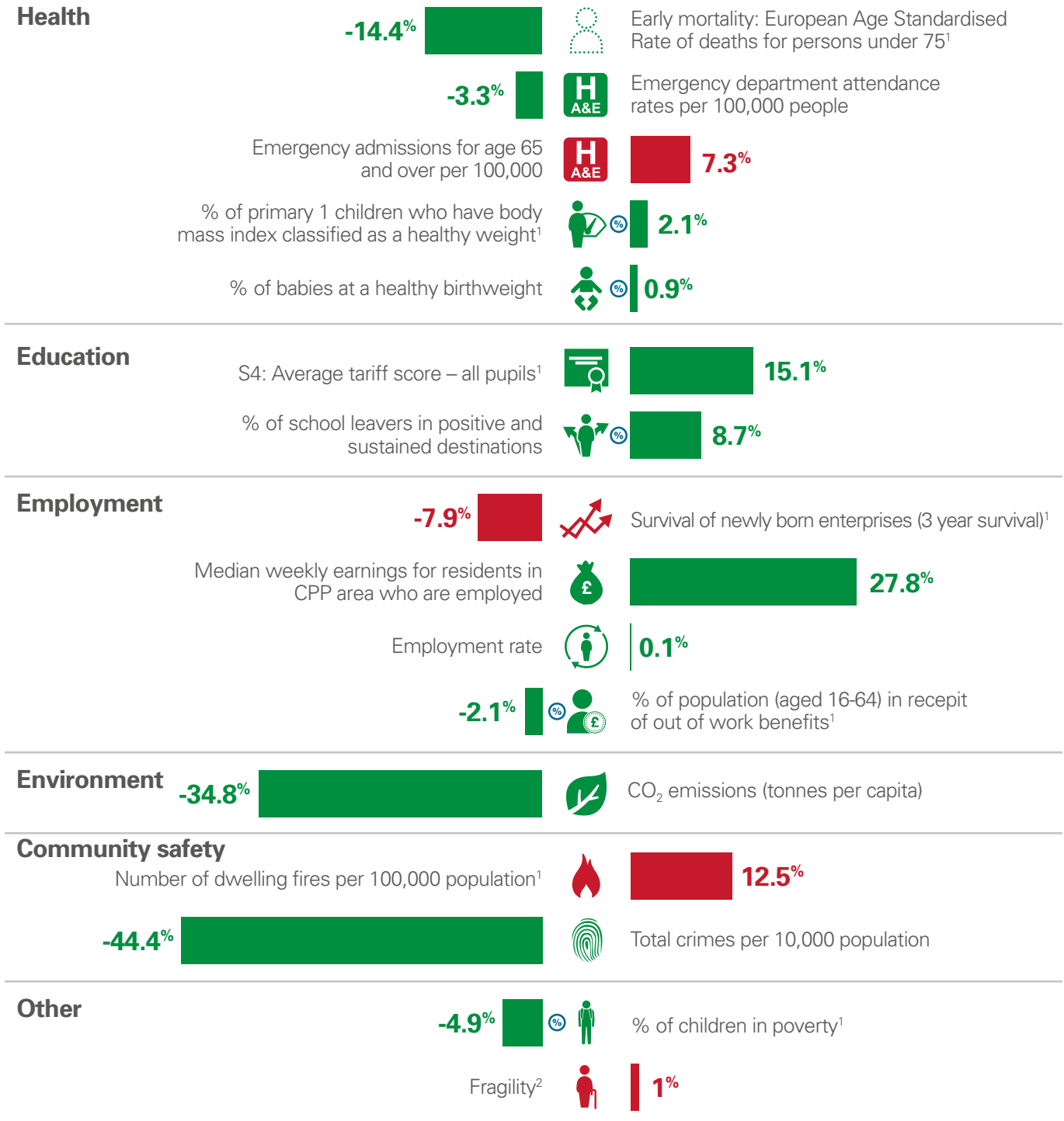
## Despite challenges, performance has been maintained or improved

**41.** The Improvement Service reports on progress against 18 outcomes, supported by 16 performance measures, through the Community Planning Outcomes Profile. This is a new tool which allows outcomes and equalities data to be measured on a consistent basis. Councils need to work with partners and communities through, for example, community planning partnerships (CPPs) and integration joint boards (IJBs) to improve outcomes for communities. Changes in outcomes will be influenced by factors wider than council activity so cannot be solely linked to council activity. The 16 performance measures suggest that outcomes are generally improving across Scotland ([Exhibit 8, page 24](#)).

## Exhibit 8

### Changes in performance measures for Scotland's outcomes, 2004/05 to 2014/15

Performance measures suggest that outcomes for Scotland's communities are generally improving.



Percentage point change – raw data is not available therefore absolute changes are shown.

Notes:

- 1. Imputed and projected data has been calculated using different methodologies for different measures where raw data is not yet available.
- 2. Fragility is a weighted combination of three indicators: de-population, rural de-population and old age dependency ratio.

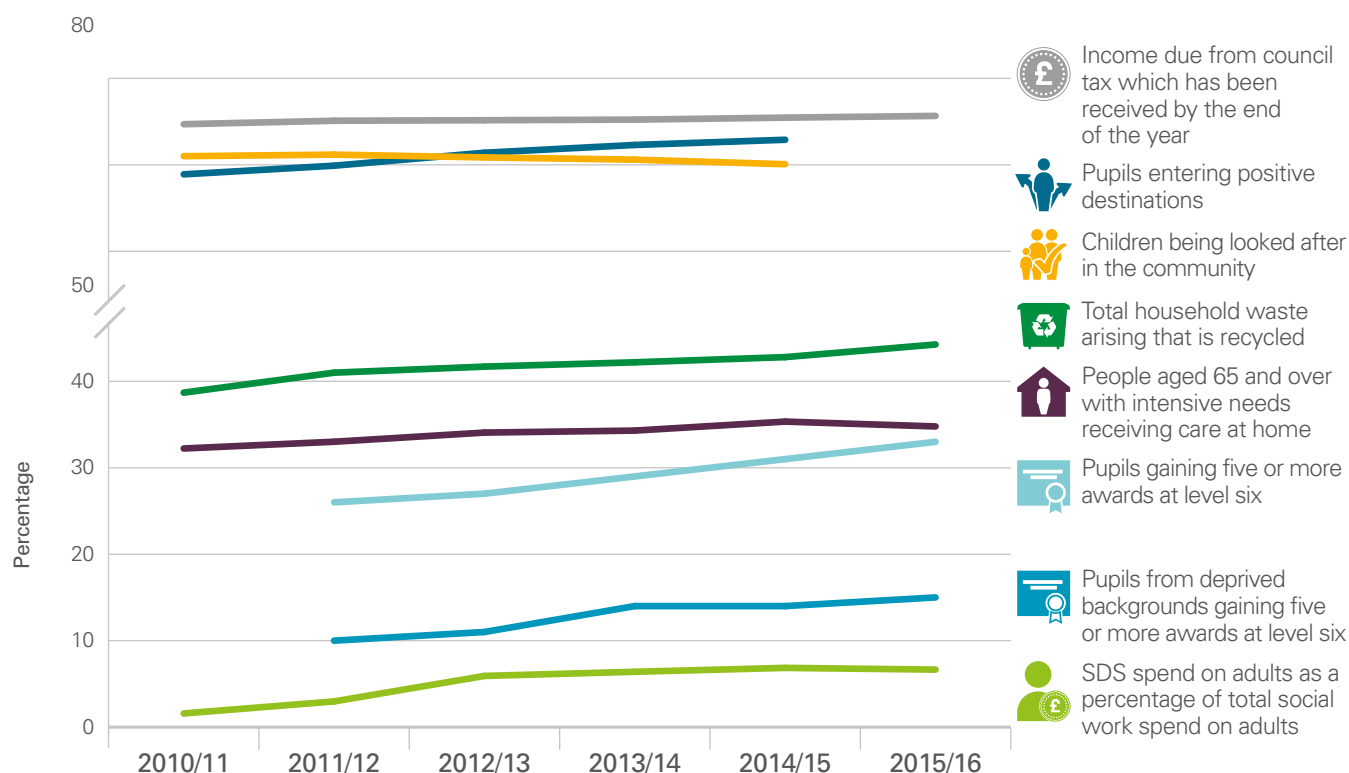
Source: Audit Scotland; and *Community planning outcomes profile*, Improvement Service, 2014/15

**42.** The Improvement Service, in partnership with councils, collates and reports on the Local Government Benchmarking Framework (LGBF) to provide information for councils to improve performance and costs. The framework covers a range of over 60 performance indicators covering a wide range of areas. We have selected those measures which give an indication of council performance in key service areas for the public.<sup>17</sup> This shows that councils' performance in the last five years has been maintained or improved ([Exhibit 9](#)).

## Exhibit 9

### Performance against selected indicators, 2010/11 to 2015/16

Councils' performance has been maintained or improved over the last five years.



#### Notes:

1. Data is not available for all indicators for 2010/11 to 2015/16.
2. We have not included measures of public satisfaction or cost indicators in this analysis.

Source: Audit Scotland; and *Local Government Benchmarking Framework*, Improvement Service, 2015/16

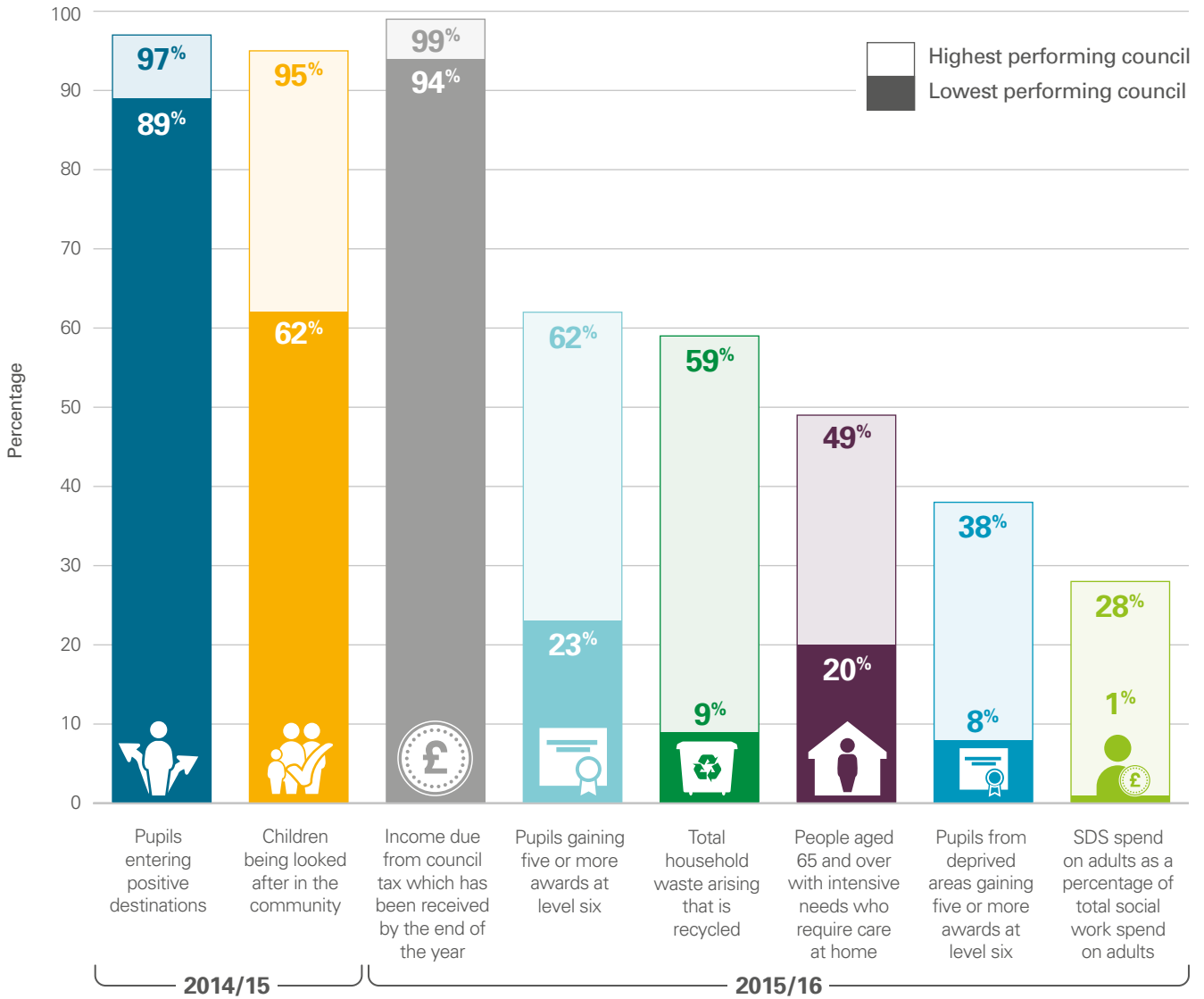


**43.** Analysis also shows significant variation in performance among councils ([Exhibit 10, page 26](#)). The amount of waste recycled and the percentage of pupils gaining five or more awards at level six show the biggest variation. However, there is also variation in social care indicators. There may be valid reasons for some of this variation; however, councils need to work to understand reasons for any lower performance in these measures, learn what has been successful in other councils and apply these lessons to their own services.

### Exhibit 10

#### Variation in highest and lowest performing councils

There is significant variation in council performance in most performance measures.



Source: Audit Scotland; and *Local Government Benchmarking Framework*, Improvement Service, 2015/16

#### Some unit costs have reduced but there is variation across councils

**44.** We have also analysed selected unit cost indicators over the last five years ([Exhibit 11, page 27](#)). The unit costs of these selected indicators have all reduced over the last five years. Some culture and leisure unit costs reduced by around one-third whilst education unit costs reduced by less than ten per cent.

**45.** The cost of providing similar services varies between councils. In some cases, cost variation will be heavily influenced by geography, population density and deprivation. The Local Government Benchmarking Framework has placed councils with similar profiles into family groups based on factors such as population density and levels of deprivation. This allows similar councils to compare themselves.

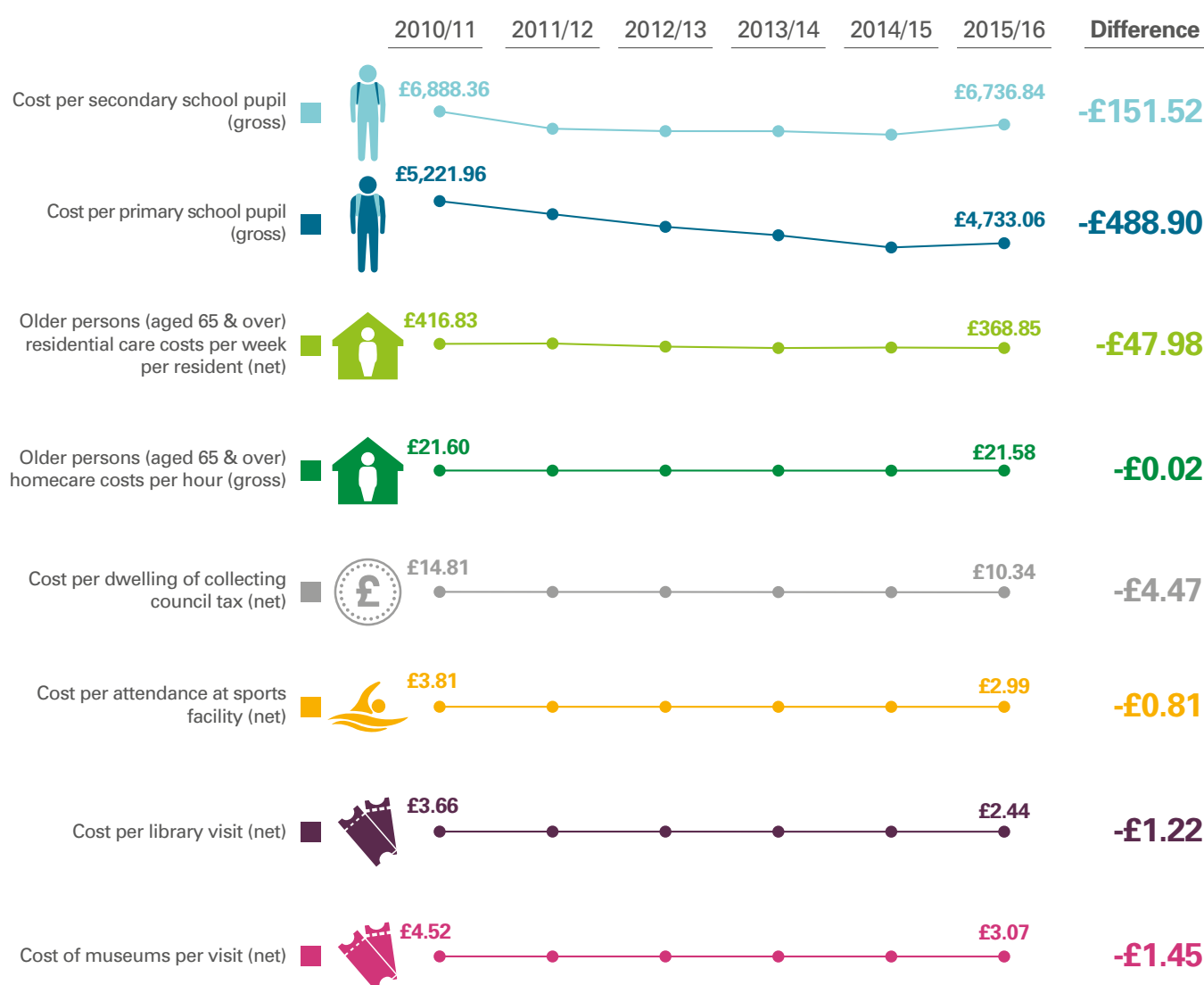
However, some councils in the same family group have significant variation in unit costs. For example, the cost of street cleaning per 1,000 population is almost three times greater in Glasgow City Council (£26,460 in 2015/16) than Aberdeen City Council (£9,312 in 2015/16).

**46.** Analysis of 2015/16 family group data for the cost of collecting council tax shows that, if all councils were able to reduce their cost of council tax collection per dwelling to the lowest in their family group, collectively they could save over £13 million. These figures are only indicative and there will be reasons for some variation, however they do indicate that savings can be made. Councils should continue to work to understand the reasons for their unit costs, learn from each other, identify possible savings that can be made and agree the acceptable impact on performance and policy.

## Exhibit 11

### Change in selected unit costs since 2010/11 to 2015/16

Unit costs have varied over the past five years.



Source: Audit Scotland; and *Local Government Benchmarking Framework*, Improvement Service, 2015/16





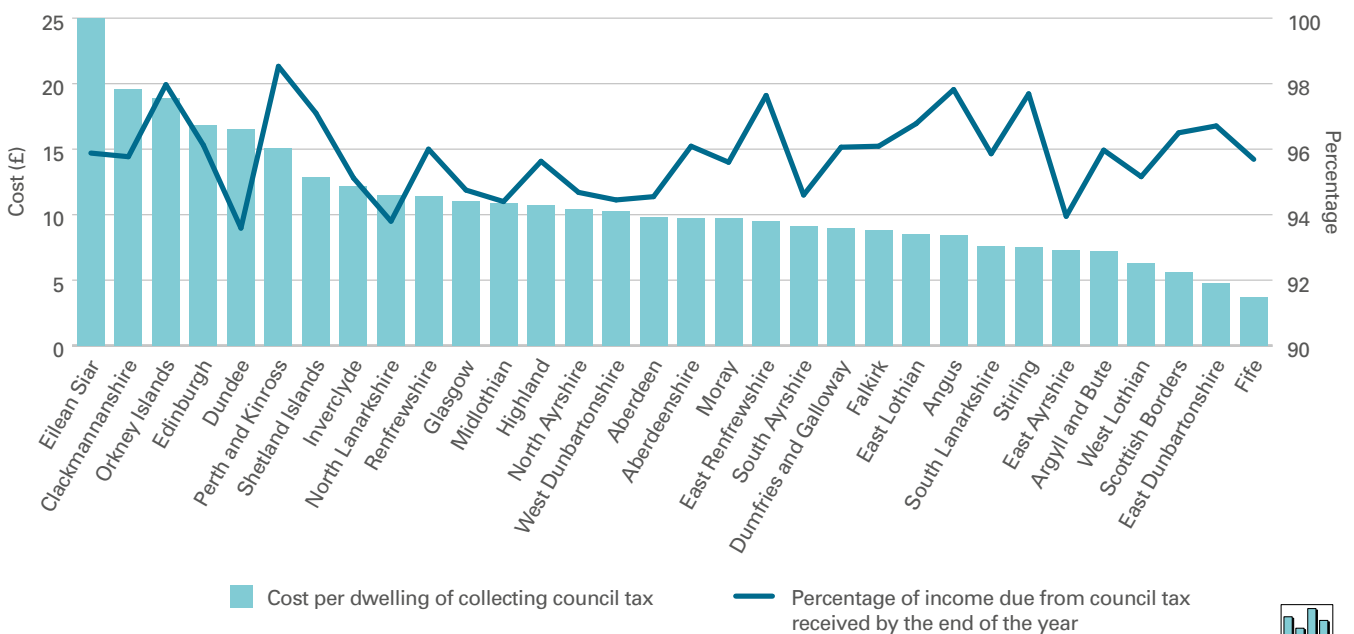
**The link between performance and cost is not always clear**

**47.** Variation in unit costs is not always reflected in performance measures at a local level. For example, there is no link between the cost and collection of council tax in 2015/16 (Exhibit 12). Similarly, changes in unit costs do not always have the expected impact on performance. For example, between 2010/11 and 2015/16, 11 councils improved their cleanliness score, of these; three increased their unit costs while eight reduced their costs (Exhibit 13, page 29).

**Exhibit 12**

**The cost and collection rate of council tax, 2015/16**

There is no link between the cost of collecting council tax and the collection rate.



Source: Audit Scotland; and *Local Government Benchmarking Framework*, Improvement Service, 2015/16

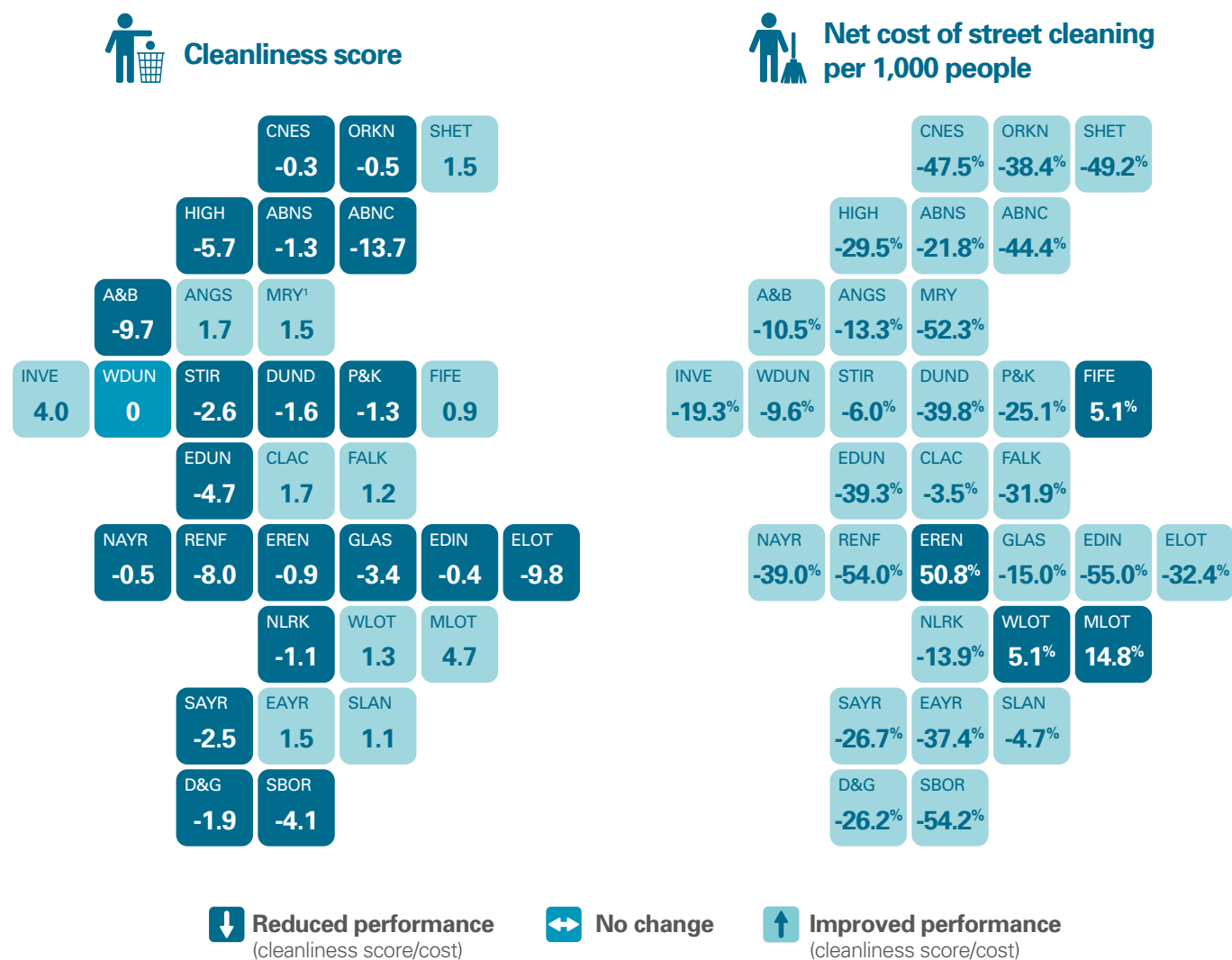
**Councils have reduced some costs with no negative impact on performance**

**48.** There is evidence of councils reducing costs and improving performance. Between 2010/11 and 2015/16, the average cost of collecting council tax reduced from £14.81 in real terms to £10.34 while the rate of collecting council tax improved from 94.7 per cent to 95.7 per cent. At council level, Glasgow City Council reduced the cost of collecting council tax in real terms from £18.48 per dwelling in 2010/11 to £10.98 in 2015/16. It achieved this by redesigning processes, better use of technology and closer working with partner organisations. Over the same period, the collection rate increased from 92.3 per cent to 94.7 per cent. City of Edinburgh Council has reduced the net cost of street cleaning per 1,000 residents by over 50 per cent in real terms, from £37,006 to £16,646, with the council’s cleanliness score only falling by 0.4 percentage points from 90.5 per cent to 90.1 per cent.

### Exhibit 13

#### The cost and cleanliness of streets in Scotland, 2010/11 to 2015/16

The majority of councils have reduced the cost of street cleaning but there has also been a reduction in street cleanliness.



#### Councils


- |                                      |                               |                                  |
|--------------------------------------|-------------------------------|----------------------------------|
| <b>ABNC</b> Aberdeen                 | <b>EDIN</b> Edinburgh         | <b>ORKN</b> Orkney Islands       |
| <b>ABNS</b> Aberdeenshire            | <b>CNES</b> Eilean Siar       | <b>P&amp;K</b> Perth and Kinross |
| <b>ANGS</b> Angus                    | <b>FALK</b> Falkirk           | <b>RENF</b> Renfrewshire         |
| <b>A&amp;B</b> Argyll and Bute       | <b>FIFE</b> Fife              | <b>SBOR</b> Scottish Borders     |
| <b>CLAC</b> Clackmannanshire         | <b>GLAS</b> Glasgow           | <b>SHET</b> Shetland Islands     |
| <b>D&amp;G</b> Dumfries and Galloway | <b>HIGH</b> Highland          | <b>SAYR</b> South Ayrshire       |
| <b>DUND</b> Dundee                   | <b>INVE</b> Inverclyde        | <b>SLAN</b> South Lanarkshire    |
| <b>EAYR</b> East Ayrshire            | <b>MLOT</b> Midlothian        | <b>STIR</b> Stirling             |
| <b>EDUN</b> East Dunbartonshire      | <b>MRY</b> Moray              | <b>WDUN</b> West Dunbartonshire  |
| <b>ELOT</b> East Lothian             | <b>NAYR</b> North Ayrshire    | <b>WLOT</b> West Lothian         |
| <b>EREN</b> East Renfrewshire        | <b>NLRK</b> North Lanarkshire |                                  |

Note: 1. The data presented for The Moray Council is calculated using data for 2010/11 and 2012/13 as no further data is available.

Source: Audit Scotland; and *Local Government Benchmarking Framework*, Improvement Service, 2015/16


**49.** The Accounts Commission has previously stated that given the challenges facing local government, not least the future financial challenges, it does not expect to see performance improving in all measures for all councils. It is up to individual councils and their communities to agree local priorities and identify where improvements are required.

### Public satisfaction is declining and complaints are increasing

**50.** Public satisfaction with services is falling. The latest information from the Scottish Household Survey shows that between 2010 and 2015, satisfaction with schools fell from 83 to 74 per cent.<sup>18</sup> However, around the same period, there was an increase in the percentage of school pupils gaining five or more awards at level six. As reported in [Social work in Scotland](#) , satisfaction with social care and social work fell from 62 per cent in 2010/11 to 51 per cent in 2014/15. We recognise that there are limitations with this data, particularly for some rural councils. Many councils therefore supplement this data with locally collected information.

**51.** In 2015/16, the Scottish Public Service Ombudsman (SPSO) received 1,722 complaints relating to Scottish councils. This is 13 per cent more than in 2011/12. It upheld 55 per cent of complaints in 2015/16 compared to 47 per cent in 2014/15. The health sector experienced a similar level of complaints being upheld in 2015/16. The SPSO records complaints by category. For councils, housing has the largest number of complaints (423 complaints in 2015/16), followed by social work (231 complaints). The number of complaints about environmental health and cleansing more than trebled between 2011/12 and 2015/16 to 126.

### Greater community involvement could improve public satisfaction

**52.** The decline in satisfaction measures may be expected given the financial challenges councils have faced. It may also suggest that councils need to have frank and wide-ranging debates with communities to determine what they can realistically deliver in reduced budgets. Our 2016 report on [Social work in Scotland](#)  highlighted that councillors had a key role in consulting more fully with the public about service priorities. It stated that councillors also needed to manage people's expectations of services that councils can afford to provide in the future.<sup>19</sup> North Ayrshire Council reviewed its library opening hours in consultation with local communities and reduced the service by 475 hours a year, saving £315,000.

**53.** The Community Empowerment (Scotland) Act 2015 should ensure councils work more closely with public bodies and communities to design, develop and deliver better-quality services. Some councils already do this through participatory budgeting ([Case study 2, page 31](#)). One per cent of a council's spending should be decided by communities.<sup>20</sup> This allows communities to be actively involved in decision-making and to influence where public funds should be spent.




---

**How are you involving local communities and empowering them to design and deliver services to suit local needs?**

**How can you better engage with local communities to understand why public satisfaction is declining?**

---

**What level of complaints does your council receive? For which departments? How has this changed?**

**Are appropriate systems in place to deal with complaints?**

---

**Does your council have regular discussions with communities about service priorities and what level of service the council can afford to provide going forward?**

**What is the your role as councilor in this?**

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## Case study 2

### Participatory budgeting




#### Comhairle nan Eilean Siar

Community members were involved in designing and procuring the Uist and Barra public bus service. The procurement process involved using an 'output performance specification'. In this, participants were asked at various public meetings to define their priorities, rank types of services and vote for their preferred price/quality ratio. The final decisions were made by panels of local people. This participatory budgeting approach has provided a more responsive service for the local community and the council has reported an increase in uptake since it began in March 2016.

#### City of Edinburgh Council

'Leith Decides' is the longest-running participatory budgeting project in Scotland and has been used by Leith Neighbourhood Partnership since 2010/11. The approach involves the local community deciding how 50 per cent of the partnership's community grants fund is spent. In 2014/15, a total of 1,625 people took part in scoring projects (an increase of 66 per cent on the previous year) and £22,092 (in grants of up to £1,000) was allocated to 25 projects. In addition to this, the number of people engaged in local decisions has increased significantly, from 320 in 2010/11 to 1,625 in 2014/15.

#### North Ayrshire Council

In November 2016, the council [launched](#)  one of Scotland's largest online participatory budgeting projects in collaboration with Young Scot. About 5,000 young people aged 11-25 years in North Ayrshire used Young Scot's online voting platform to allocate a share of £60,762 to youth projects in their local area

Source: Audit reports

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# Part 3

## Looking ahead




### Councillors need to provide effective, strategic leadership

**54.** The next council term is likely to bring significant challenges and uncertainties for councils. The role of local government in Scotland is under review and is the subject of planned Scottish Government legislation. The impact of the United Kingdom's decision to leave the European Union is currently unknown but will have to be worked out and managed. The ongoing financial and population pressures are set to increase.

**55.** Our audit work has shown that there are still areas that councils need to strengthen in responding to the challenges they face. We recognise that, with reducing resources, councils will find delivering services and improvements increasingly difficult. It is critical therefore, that they set clear long-term strategies and plans that target effort on improving priority areas. This will require councils to evaluate all possible options to make improvements for their communities in the most efficient ways.

**56.** The 2017 local government elections could result in changes to elected members and the political make-up of councils. Councillors have a critical role in setting their council's strategies and need to have the right knowledge, skills and time to lead and scrutinise how councils are achieving these. Councils will also need to continue to involve citizens in decisions about local services and report their performance in ways that help local citizens gauge improvement. Our audit work has highlighted the importance of effective leadership in developing robust strategies and making difficult decisions.


**57.** Councillors need to provide effective strategic leadership if councils are to successfully change the way they work. Councillors need to make informed decisions on the increasingly difficult and complex choices they face and to scrutinise whether the council is achieving its priorities. Council officers must support new and returning councillors effectively by providing them with clear and understandable information, and access to necessary and essential training to help them fulfil their role. We have recently published a report on [\*\*\*Roles and working relationships in councils – Are you still getting it right?\*\*\*](#)  (2016) to support councillors in their difficult and challenging role. The Improvement Service's induction materials may be a useful resources here.



**How can you ensure that you have the right skills and knowledge to help carry out increasingly complex and challenging roles efficiently?**

## Councils need comprehensive long-term financial strategies and plans in place

**58.** Our recent financial overview for 2015/16 highlighted the increasing challenges that councils are having in managing their budgets. About a third overspent social work budgets in 2015/16, similarly about a third underspent education budgets. The need for budgets and forecasts to reflect actual spending becomes increasingly important for councils with decreasing or low levels of usable reserves to draw on. Councils cannot continue to rely on underspends in certain services offsetting overspending elsewhere. Budgets should be revised to reflect true spending levels and patterns. This requires good financial management to ensure spending is accurately forecast and monitored within the year, including systems that allow budgets to be monitored in real time. The impact of current spending approved by councillors on the financial position can only be accurately assessed if budgets are accurate.

**59.** Councils are developing their financial strategies and plans in an increasingly complex environment. The Accounts Commission recognises that the Scottish Government providing funding settlement figures for a single year presents challenges to councils updating medium-term financial plans and having long-term strategies in place. But the absence of indicative funding should not prevent councils projecting future income, and spending and planning accordingly. A longer-term approach to finances provides a context for current decisions and, along with a clear set of financial strategies and principles, creates an overall framework for financial decision-making and sustainability. It is imperative that long-term financial strategies (covering five to ten years) link spending to councils' strategic priorities and that spending plans are considered in this context. Our [Local government in Scotland: Financial overview 2015/16](#)  highlighted that this is an area where councils can continue to improve.

**60.** Council priorities should be supported by long-term strategies and medium-term plans. Using tools such as scenario planning, councils can consider a range of different scenarios and become more agile in developing their responses. Financial strategies and plans must be aligned to workforce, service and operational plans to ensure that they take account of councils' operating environments. This will ensure the council is financially aware, takes decisions based on financial information and manages the financial risk. [Exhibit 14 \(page 34\)](#) sets out the main elements of the financial planning process and how these interact with key council planning documents.

## Councils need to appraise all possible options for change and involve local communities

**61.** A crucial element of achieving Best Value is using options appraisal effectively to evaluate current and alternative ways to deliver services. There should be rigorous and challenging appraisal of all the options. It is important that councils consider a wide range of alternatives, including fundamentally different approaches, to help each council find the most effective and efficient way to achieve its priorities for its local communities. This includes examining opportunities to work with and give communities powers to deliver services in different ways as well as learning lessons from other councils across the United Kingdom and from wider public service reform. Councillors should get all necessary information and support from officers to help them fully assess the benefits and risks of each option.




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**How fully have you appraised all options for delivering services differently?**

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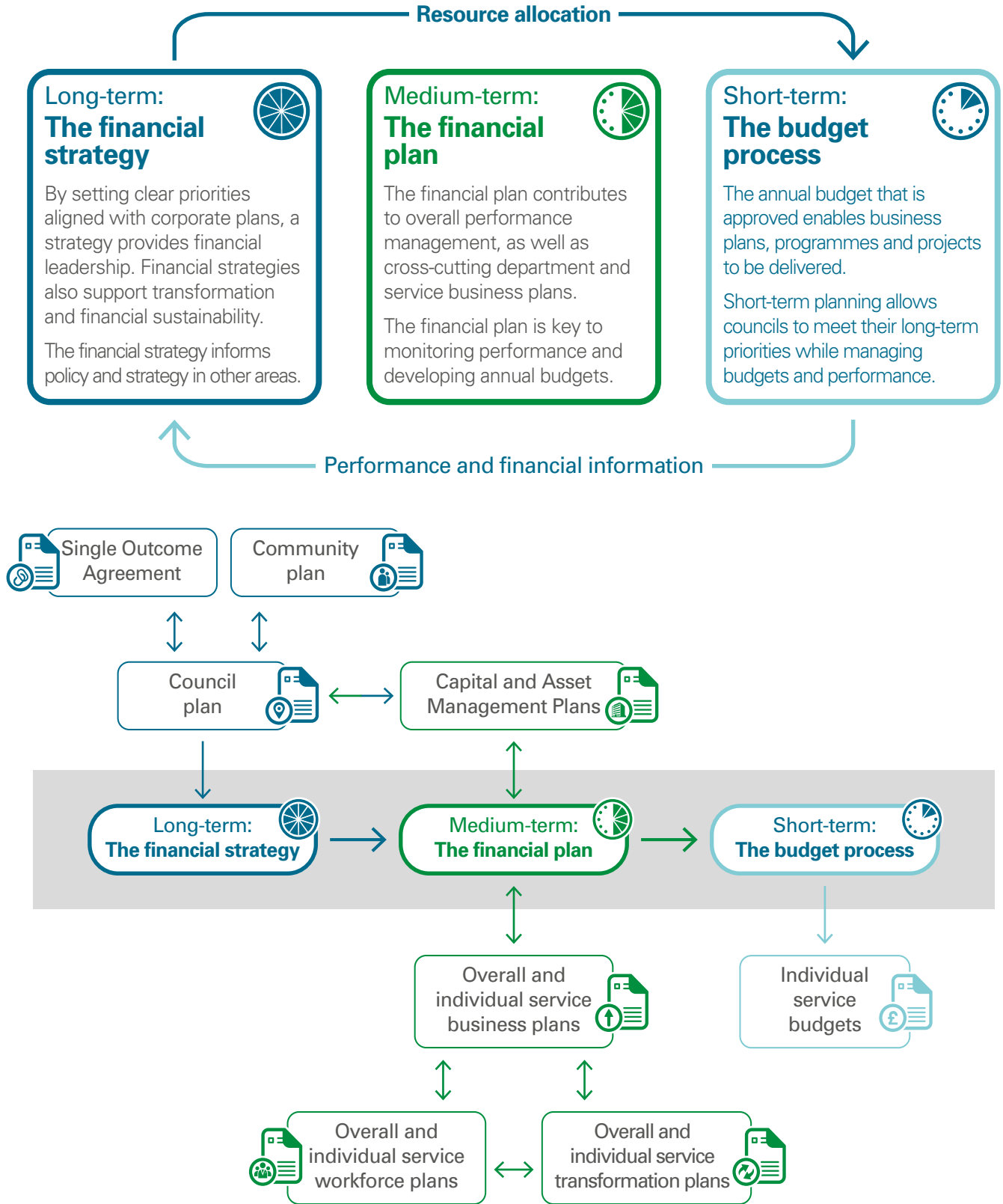
**How can you consider more business in public?**

---

### Exhibit 14

#### Key components of council strategic planning and operational management

Financial planning should be linked to operational delivery plans.



**62.** When councils and councillors are identifying and approving savings in any service area, it is important that they consider, assess and monitor the impact of their decisions. Councils should:












- identify expected savings
- consider the potential impact on people using services, communities and staff
- monitor how they are achieving savings
- review the impact of reforms on the outcomes that services are delivering.

**63.** We have seen examples of councils engaging well with their communities on important local issues. The Community Empowerment (Scotland) Act 2015 provides, among other things, a statutory basis for local people to be more involved in decision-making and to take ownership of councils' assets. Councils need to understand local expectations of services and to work closely with their communities and the people who use services to redesign how services are delivered. New guidance issued in December 2016 places a statutory duty on CPPs to improve local outcomes. An increased emphasis on joint working is expected to improve community involvement and address inequalities.<sup>21</sup>



# Endnotes



- ◀ 1 This is gross income. Councils' total income in 2015/16 was £18.9 billion, with £10.9 billion being provided by the Scottish Government.
- ◀ 2 [Local government in Scotland: Financial overview 2015/16](#) , Audit Scotland, November 2016.
- ◀ 3 The Scottish Government guarantees the combined general revenue grant and non-domestic rate income figure approved by the Parliament for each council. This means that any reduction in one component of funding is compensated for by an increase in the other.
- ◀ 4 *Scotland's Budget – 2016*, Fraser of Allander Institute, 2016.
- ◀ 5 This assumes that council tax collection rates (and the households this was collected from) would have remained the same and that total funding, and therefore income, would have been adjusted to exclude £70 million of revenue funding provided annually by the Scottish Government to councils to support the council tax freeze.
- ◀ 6 *Scotland's Budget – 2016*, Fraser of Allander Institute, 2016.
- ◀ 7 [School education](#) , Audit Scotland, June 2014. This report shows that performance improved between 2002/03 and 2012/13 against the ten attainment measures examined.
- ◀ 8 Aberdeenshire, Clackmannanshire, East Lothian, Highland, Midlothian, Orkney Islands, Shetland Islands and West Lothian councils.
- ◀ 9 *Public Sector Employment in Scotland*, Scottish Government, June 2016. These figures will include staff who have transferred to or from ALEOs over the period.
- ◀ 10 We reported in our November 2013 audit, [Scotland's public sector workforce](#) , that councils transferred 9,100 FTE posts to ALEOs between 2009/10 and 2012/13.
- ◀ 11 Information collected by auditors as a follow up to [Scotland's public sector workforce](#) , Audit Scotland, November 2013.
- ◀ 12 [Maintaining Scotland's roads: a follow-up report](#) , Audit Scotland, August 2016.
- ◀ 13 [Local government in Scotland: Financial overview 2015/16](#) , Audit Scotland, November 2016.
- ◀ 14 Auditors provided this information in July 2016. We report more information on funding gaps in [Local government in Scotland: Financial overview 2015/16](#) , Audit Scotland, November 2016.
- ◀ 15 [Falkirk Council: Best Value audit report](#) , Audit Scotland, December 2016.
- ◀ 16 [South Ayrshire Council: Best Value audit report](#) , Audit Scotland, June 2016.
- ◀ 17 The full range of indicators includes unit costs and public satisfaction. These are available on the Improvement Service website – [www.improvementservice.org.uk/benchmarking/](http://www.improvementservice.org.uk/benchmarking/) 
- ◀ 18 *Scotland's People Annual Report: Results from the 2015 Scottish Household Survey*, 2016. There are limitations when using this data as survey questions do not fully distinguish the views of the whole adult population on services from the views of those who are direct users of the services. Sample size may also be an issue in some councils.
- ◀ 19 [Social work in Scotland](#) , Audit Scotland, September 2016.
- ◀ 20 *A Plan For Scotland, the Scottish Government's Programme For Scotland 2016-17*, Scottish Government, September 2016.
- ◀ 21 *Community Empowerment (Scotland) Act – Part 2: Community Planning Guidance*, Scottish Government, December 2016.

# Local government in Scotland Performance and challenges 2017

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# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Provision of internal support services to the Edinburgh Integration Joint Board

|                   |     |
|-------------------|-----|
| Item number       | 7.5 |
| Report number     |     |
| Executive/routine |     |
| Wards             |     |

### Executive summary

---

Following the recent issuing of updated accounting guidance, approval is sought to formalise the Council's position with regard to charging for the provision of internal support services to the Edinburgh Integration Joint Board (EIJB).

### 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> |

## Provision of internal support services to the Edinburgh Integration Joint Board

### 1. Recommendation

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- 1.1 Members of the Finance and Resources Committee are requested to approve the provision of internal support services to the Edinburgh Integration Joint Board (EIJB) on the basis set out within the report.

### 2. Background

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- 2.1 Formal delegation of functions and resources to the EIJB commenced on 1 April 2016, following approval of the Strategic Plan by the EIJB.

### 3. Main report

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- 3.1 During its first full year of operation, a range of professional services has been provided to the EIJB, including financial, HR, ICT, internal audit and other administrative support. These costs are distinct from (and thus considerably lower than) those incurred by the Council in supporting the services directed by the EIJB.
- 3.2 Based on experience to date across all of Scotland's IJBs, updated technical guidance developed by the Local Authority Scotland Accounts Advisory Committee (LASAAC) was issued in early March 2017. This document sets out, in detail, appropriate accounting arrangements to be adopted across a number of areas, including those relating to the provision of support services.
- 3.3 The LASAAC guidance includes explicit provision for supplying these support services "in-kind" i.e. without an associated recovery of cost, to IJBs. On this basis, the vast majority of councils, as well as their partners in Health, have adopted this approach in order to maximise the level of resources available to the IJB to invest in the delivery of priority outcomes.
- 3.4 The LASAAC guidance additionally indicates that, in the spirit of transparency, the policy in this area should be approved by an appropriate Committee. Where significant, the amount of this in-kind support should also be included in the IJB's financial statements.

#### **Links to Council's governance framework**

- 3.5 Following its initial approval in September 2013, a number of changes have subsequently been incorporated in the Council's Corporate Debt Policy, with [the](#)

[most recent update](#) approved by the Corporate Policy and Strategy Committee on 23 February 2016.

- 3.6 While primarily concerned with recovery of sums already billed, the policy, along with related provisions in the Council's [Corporate Charging Policy Framework](#), states that in exceptional services and having regard to the delivery of best value, a recommendation may be made to waive sums otherwise due. Where these sums exceed £3,000, explicit approval from the Finance and Resources Committee is required. Committee's approval is therefore sought to provide the services on the basis outlined in paragraph 3.3 above.

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

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- 4.1 Providing services on an in-kind basis will maximise the level of resources available to the EIJB to invest in the delivery of key outcomes.

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

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- 5.1 Core budgetary provision for the staff time associated with IJB-related work has been made within the Council's approved revenue budget and, as such, the decision to waive any charge does not hasten a budgetary pressure. In addition, due to the EIJB's status as an independent body (and, as such, unable to recover VAT charged on the provision of professional services to it), the report's recommendations support the wider delivery of best value.
- 5.2 It is furthermore likely that any charge to the EIJB for support services would result in a request for additional funding from the Council to meet this cost.

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

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- 6.1 Adoption of the policy on the basis set out in the preceding paragraphs complies both with relevant professional guidance and the provisions contained within the Council's own governance framework.

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

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- 7.1 There is no direct impact on equalities and rights of the report's contents.

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

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- 8.1 There is no direct impact on carbon, climate change adaptation or sustainable development arising from the report's contents.

## 9. Consultation and engagement

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- 9.1 The Interim Chief Financial Officer of the EIJB has been consulted on the proposal and is content with the arrangements proposed.

## 10. Background reading/external references

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- 10.1 [Corporate Charging Policy Framework](#), Finance and Resources Committee, 5 June 2014
- 10.2 [Corporate Debt Policy Annual Report](#), Corporate Policy and Strategy Committee, 23 February 2016
- 10.3 [Corporate Debt Policy](#), as revised by above Committee decision

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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<br>SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health<br>SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential<br>SO4 – Edinburgh’s communities are safer and have improved physical and social fabric |
| <b>Appendices</b>               | None  |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Health and Safety Performance in 2016

**Item number** 7.6  
**Report number**  
**Executive/routine**  
**Wards**

### Executive Summary

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In 2016, the Council built on progress made in 2015, with a focus on greater clarity, competence and culture in relation to health and safety matters.

The health and safety governance framework, which is aligned to the Council's risk management framework, was embedded in 2016, ensuring robust governance for oversight and decision making for health and safety. There was also a strong focus on risk management, and increased focus on the provision of operational health and safety support to service areas during a period of significant organisational change, and following the collapse of a wall at Oxfangs Primary School.

The Council achieved a 29% decrease in the number of reportable injuries to employees in 2016 compared with the previous year; these represent the more serious injuries that are required to be reported externally to the Health and Safety Executive (HSE). This builds on the 15% decrease in 2015 compared with 2014.

The Council will continue to build on progress made in the previous couple of years, ensuring that health and safety risks are managed in a proportionate and efficient way.

### Links

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**Coalition Pledges** [P27](#)  
**Council Outcomes** [CO27](#)  
**Single Outcome Agreement**

## Health and Safety Performance in 2016

### 1. Recommendations

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- 1.1 Committee is asked to note this report.

### 2. Background

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- 2.1 The [Corporate Health and Safety Plan](#) for 2016/17 was agreed by the Finances and Resources Committee in March 2016. The Plan set out to build on progress in 2015/16 across the key priority areas, with an increased focus on three key principles – clarity, competence and culture.
- 2.2 The purpose of this report is to update on progress and performance in 2016 for health and safety.

### 3. Main report

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- 3.1 During 2016, the Council built on progress made in 2015 across the six key priority areas set out below, with an increased focus on clarity, competence and culture.

#### **Health and Safety Governance, Assurance and Oversight**

- 3.2 The health and safety governance framework, which is aligned to the Council's risk management framework, was embedded in 2016, ensuring robust governance for oversight and decision making for health and safety. Further work is underway at service level to ensure health and safety committees and working groups are working effectively.
- 3.3 The second year of the Communities and Families Assurance Framework, which included a programme of 15 joint audits by Internal Audit, Corporate Health and Safety and Information Governance, was extended to include early years centres, community centres and residential centres. A number of changes were made to embed the programme in 2016 and to respond to feedback from its first year of operation. Corporate Health and Safety will continue with their rolling programme of audit visits in 2017, with the Internal Audit component of the programme being replaced by a Communities and Families review process where the assurance framework has matured in the past year.
- 3.4 Eighty-three health and safety audits were carried out in 2016 as part of the rolling Health and Safety Audit Programme. These included audits of units, services, topic audits and contractor audits. Contractor audits were introduced in 2016, and will be



part of the Audit Programme going forwards. In addition, joint audits were undertaken for the first time with NHS Lothian.

### **Risk Management**

- 3.5 Refreshed guidance and templates to support risk assessment were launched at the Health and Safety Conference in April 2016, with additional risk assessment training courses subsequently delivered by Corporate Health and Safety.
- 3.6 Risk profiling workshops were held across the services areas to identify key health and safety risks. The Council's risk methodology was used to identify and score the inherent risks. Work is ongoing to consider the residual risks, which will in turn support the identification of what further controls are needed, and will also inform the Corporate Health and Safety strategic priorities in 2017/18.
- 3.7 There was an increased focus in 2016 on the provision of operational health and safety support to service areas during a period of significant organisational change.
- 3.8 Corporate Health and Safety were part of the Corporate Incident Management Team after the collapse of a wall at Oxfords Primary School and subsequent closure of 17 schools. The team carried out 50 visits to schools to provide health and safety and fire safety advice, and continue to liaise with the Fire and Rescue Services who are undertaking fire safety audits at all PPP1 schools.
- 3.9 Guidance and tools to support health and safety risk management in natural playgrounds were developed for Communities and Families.
- 3.10 A 'blue print' document to set out operational roles and responsibilities for health and safety in schools was developed in collaboration with Corporate Property and Facilities Management. This information has been used to inform the development of new service level agreements between Corporate Property and Facilities Management, and Communities and Families.

### **Measurement**

- 3.11 Quarterly and annual health and safety performance dashboards were produced by Corporate Health and Safety to provide oversight on health and safety performance at Council-wide and Directorate levels. The dashboards contain leading and lagging metrics including health and safety incident statistics and thematic audit findings.

### **Leadership and Accountability**

- 3.12 The second annual Health and Safety conference, hosted by the Chief Executive, in April 2016 was attended by over 300 managers and representatives from Trade Unions. The focus was on risk assessment and the message that 'health and safety is everyone's responsibility' was reinforced.

### **Training**

- 3.13 Corporate Health and Safety achieved accreditation to deliver the IOSH Leading Safety course. The course will be available from April 2017 and is aimed at Senior Managers.

- 3.14 The suite of Corporate Health and Safety training courses has been refreshed, with additional courses added to meet the training needs of the service areas.
- 3.15 Training needs analysis guidance has been introduced to support managers to identify health and safety training needs for their teams, with ongoing support from Corporate Health and Safety.

### **Communications**

- 3.16 To increase the profile and raise awareness of health and safety in the Council, a new visual identity was developed. The design for communication materials including posters, presentation slides and training were researched with colleagues from across the Council who attended focus groups.
- 3.17 Modern design and imagery is now being used to convey key health and safety messages to maximise the impact.

### **Health and Safety Performance in 2016**

- 3.18 The Council achieved a 29% decrease in the number of reportable injuries to employees in 2016 compared with the previous year; these represent the more serious injuries that are required to be reported externally to the Health and Safety Executive (HSE). This builds on the 15% decrease in 2015 compared with 2014.
- 3.19 In 2016, the employee injury rate was 8.6 per 100 employees. This compares with 7.3 per 100 employees in 2015. 60% of employee injuries were due to violence and aggression, with the majority of these incidents involving pupils with additional learning needs in schools.
- 3.20 Housing Property Services retained their RoSPA Gold medal in 2016. This award is based on an organisation's health and safety performance assessed against the judging criteria.
- 3.21 Regrettably, the Council was prosecuted in December 2016 for a breach of the Health and Safety at Work etc. Act 1974, dating back to 2011, specifically in relation to the South Neighbourhood Taskforce's ground maintenance and forestry services department for failure to implement adequate controls for hand and arm vibration. The sentence imposed was a £6K fine.
- 3.22 The Crown Office has confirmed that a fatal accident inquiry will be held in June 2017 at Edinburgh Sheriff Court, following the tragic fatality of a pupil at Liberton High School in April 2014.

## **4. Measures of success**

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- 4.1 Measures of success include:
  - 4.1.1 reduction in losses arising from work related injury and ill health, caused by failure to manage health and safety;

- 4.1.2 reduction in potential for criminal or civil prosecution caused by failure to manage health and safety or failure to meet legal and regulatory requirements; and
- 4.1.3 reduction in potential for reputational damage, associated with failure to manage health and safety.

## **5. Financial impact**

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- 5.1 There is no financial impact as a result of this report.

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

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- 6.1 The potential impact of failure to manage health and safety and welfare includes: death, injury, ill health, in addition to legal liabilities, regulatory censure, financial losses, business disruption and reputational damage.

## **7. Equalities impact**

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

## **8. Sustainability impact**

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- 8.1 There are no direct sustainability impact as a result of 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 Report to Finances and Resources Committee, 17 March 2016: [Proposed Health and Safety Plan](#).

### **Hugh Dunn**

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## 11. Links

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|  |  |
|--|--|
| <b>Coalition Pledges</b>                   | P27 – Seek to work in full partnership with Council staff and their representatives. |
| <b>Council Outcomes</b>                    | CO27 – The Council supports, invest in and develops our people.                      |
| <b>Single Outcome Agreement Appendices</b> |  |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

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

|                   |     |
|-------------------|-----|
| Item number       | 7.7 |
| Report number     |     |
| Executive/routine |     |
| Wards             | All |

### Executive Summary

This report updates the Finance and Resources Committee on the contracts awarded between 1 October 2016 and 31 December 2016. It sets out those contracts awarded following a waiver of the Council's Contract Standing Orders (CSOs), those awards exempt from waiver and the contracts awarded with a value below the threshold requiring Committee approval. The table below provides a summary.

|   |                           |         |
|---|---------------------------|---------|
| Value of contracts awarded between 1 October 2016 and 31 December 2016  |                           | £259.7m |
| Value of contracts let below the threshold requiring committee approval |                           | £10.8m  |
| Value of contracts let following a waiver of the CSOs                   | Under delegated authority | £1.2m   |
|   | With Committee approval   | £13.6m  |
| Value of direct contract awards exempt from waiver                      |                           | £0.1m   |

This report also provides an update on the report Contract and Waiver Management: Update, considered by the Finance and Resources Committee on 18 August 2016 and, in particular the areas identified in Appendix 1 of that report where further action by services was required to ensure suitable contracts are put in place for continuity of provision and/or compliance with the Council's Contract Standing Orders.

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

### 1. Recommendations

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- 1.1 It is recommended that the Committee notes the contents of this report and the authorisations made under delegated authority.

### 2. Background

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- 2.1 Commercial and Procurement Services (CPS) is responsible for:
- Supporting service areas in procuring goods, works and services (with a focus on contracts of a value of £25,000); and
  - Providing governance, process and oversight for contracting and purchasing (including the Contract Standing Orders (CSOs)).
- 2.2 This includes working with services in relation to:
- Overall £532.5m of third party spend across the Council during 2015/16;
  - 2,884 live contracts on the Contracts Register;
  - 11,449 suppliers, 1,316 requisitioners and 636 approvers on the Oracle system; and
  - Moving to a new procurement system within the Council's new IT infrastructure.

#### **Waiver and contract reporting**

- 2.3 Services are responsible for ensuring that their contract information is regularly updated on the Council's Contract Register (accessible through the Orb and publicly). CPS regularly provides a list of expiring contracts and waivers to services for their review in order to assist directors in fulfilling their responsibilities for all contracts tendered and let by their directorates. Commercial Partners work alongside the service management teams and procurement delivery teams as business partners to assist with relationship management and support services with their contract planning.
- 2.4 The CSOs outline approval thresholds for contracts for goods, works and services. Above certain financial values these require approval by the Finance and Resources Committee. These contracts are approved by the Committee on a case by case basis.

- 2.5 A waiver of CSOs to allow a contract to be awarded or extended without some form of competitive tendering may be required in certain circumstances. Each waiver is looked at on its own merits and is only approved if fully justifiable, as these circumstances need to be tightly controlled and scrutinised.
- 2.6 The Committee has expressed concerns about the number of contracts being awarded through a waiver of CSOs, and CPS has been asked to report regularly on progress to reduce the number of waivers.
- 2.7 CPS does this by reporting quarterly to the Committee on contracts awarded under delegated authority or through a waiver of the CSOs. In addition to these regular reports, in May 2015 a Contract Planning update report was approved by the Committee, with further reports in January 2016, focussing on waivers over a value of £100,000, and in August 2016, identifying areas where further action by services was required.

### 3. Main report

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- 3.1 A summary of all contracts awarded under waiver arrangements for the period (both under delegated authority and through committee approval) from 1 October 2016 to 31 December 2016 is provided in Table 1 below. Further information on these waivers is detailed in Appendices 1 and 2.

**Table 1 Contracts awarded under the Waiver of Standing Orders**

| Directorate                    | Total Waiver Value under Delegated Authority<br>1 October – 31 December 2016 | Total Waiver Value by Committee Approval<br>1 October - 31 December 2016 |
|--------------------------------|--|--|
| Chief Executive                | £0.23m   | n/a  |
| Communities and Families       | £0.16m   | £0.24m   |
| Cross-Directorate              | n/a  | n/a  |
| Health and Social Care         | n/a  | £4.74m   |
| Place                          | £0.19m   | n/a  |
| Resources                      | £0.57m   | £8.59m   |
| Safer and Stronger Communities | n/a  | n/a  |
|                                | <b>£1.15m</b>  | <b>£13.57m</b>   |

- 3.2 The figures shown in Table 1 and Appendices 1 and 2 reflect the total financial value requested to be waived for the contracts in question. In a number of cases the actual spend will be less than this value. Given their de minimis value, waivers

under the value of £5,000 have not been listed in Appendix 1. There are a total of four contracts awarded with a value of less than £5,000 which account for £16,976 in total.

- 3.3 CPS will continue to monitor and challenge submitted waivers to ensure continuing compliance with the CSOs. The Waivers and Contract Register provide a required visibility of spend enabling CPS to highlight to directorates where plans for procurement require to be put in place without delay.
- 3.4 The revised CSOs identify a number of circumstances in which a direct award is permissible without requiring a waiver. These are all reviewed closely by CPS. Direct awards made without a waiver amounted to £0.10m between 1 October and 31 December 2016 and are detailed in Appendix 3.
- 3.5 The CSOs state that contracts in excess of £1m for supplies and services and £2m for works require approval from the Committee before award.
- 3.6 Contracts under the Committee thresholds to the value of £10.6m have been awarded in the period 1 October 2016 to 31 December 2016, and are detailed under Appendix 4. Given their de minimis value, contracts under the value of £25,000 have not been listed in the Appendix. There are a total of 10 contracts awarded with a value of less than £25,000 which account for £135,002 in total
- 3.7 The report Contract and Waiver Management: Update, considered by the Finance and Resources Committee on 18 August 2016, set out areas where further action by services was required to ensure suitable contracts be put in place for continuity of provision and/or compliance with the Council's Contract Standing Orders. An update on the agreed actions was provided within the last quarterly report on 1 December 2016. A further update on those areas where further action is still required is set out in Appendix 5.

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

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- 4.1 Council contracts let are compliant with Contract Standing Orders and procurement legislation.
- 4.2 The number of waivers of Contract Standing Orders required as a result of poor planning is reduced.
- 4.3 The Council's Contract Register is kept updated by services and management information is comprehensive and accurate.
- 4.4 Best Value is both demonstrable and achieved.

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

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- 5.1 Through robust procurement strategy and proactive management of contract cycles, and aggregating spend and carrying out competitive procurement where



appropriate, this should help minimise financial waste and achieve Best Value for Council contracts.

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

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- 6.1 The Council is going through a significant period of change due to the current Transformation Programme. This has presented some risks with regards contract management and procurement planning, as contract owners have left the Council and directorates take on new service responsibilities and their associated contracts. This has presented some difficulties for CPS in determining revised contract management roles, but it is anticipated that this will settle in the longer term. This will be mitigated by intensifying engagement with stakeholders and supporting services with relevant management information to help with planning.
- 6.2 Due to the significant volumes of activity and numbers of stakeholders involved in purchasing and procuring goods, services and works (see paragraph 2.2), CPS relies on services to provide accurate information through their Contract Register entries and request for procurement assistance. To mitigate against any risks in this area, data is reviewed for accuracy and reliability in consultation with services.
- 6.3 A waiver denotes a departure from the CSOs. There may be an increased risk if the Council has departed from EU requirements. However, each waiver is scrutinised on its own merits in this context, and is only approved if justifiable given the circumstances or permitted in accordance with EU obligations.
- 6.4 Co-production resource and timescales will need to be factored in to overall timescales for services to re-procure contracts.

## **7. Equalities impact**

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

## **8. Sustainability impact**

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- 8.1 There are no sustainability impacts directly arising as a result of this report.

## **9. Consultation and engagement**

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- 9.1 Service areas have been consulted on their expiring contracts, waivers and suppliers in the collation of this report. On an ongoing basis, the CSOs outline the appropriate measures of consultation and approval that must be sought from officers or committee for each waiver, dependent on the expected value.

## 10. Background reading/external references

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[http://www.edinburgh.gov.uk/download/meetings/id/46991/item\\_712 -  
\\_council contracts - planning update](http://www.edinburgh.gov.uk/download/meetings/id/46991/item_712_-_council_contracts_-_planning_update)

[http://www.edinburgh.gov.uk/download/meetings/id/49409/item\\_719 -  
\\_council contracts planning update - review of waivers over 100000](http://www.edinburgh.gov.uk/download/meetings/id/49409/item_719_-_council_contracts_planning_update_-_review_of_waivers_over_100000)

[http://www.edinburgh.gov.uk/download/meetings/id/51457/item\\_716 -  
\\_contract waivers management](http://www.edinburgh.gov.uk/download/meetings/id/51457/item_716_-_contract_waivers_management)

[http://www.edinburgh.gov.uk/download/meetings/id/52615/item\\_77 contracts awarded u  
nder delegated authority waiver reports and contract waiver management update](http://www.edinburgh.gov.uk/download/meetings/id/52615/item_77_contracts_awarded_under_delegated_authority_waiver_reports_and_contract_waiver_management_update)

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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 outcomes</b>         | CO25 - The Council has efficient and effective services that deliver objectives   |
| <b>Single Outcome Agreement</b> |   |
| <b>Appendices</b>               | Appendix 1 – Contracts Awards under waiver of CSOs by Delegated Authority<br>Appendix 2 – Contracts Awards under waiver of CSOs by Committee approval<br>Appendix 3 – Contracts awarded directly without the requirement for a waiver<br>Appendix 4 - Contract Awards below Committee Thresholds<br>Appendix 5 – Progress update on areas reported to Finance and Resources Committee on 18 August 2016 |

## Appendix 1 – Contracts awarded under the Waiver of CSOs by Delegated Authority

The following relate to the period 1 October 2016 to 31 December 2016.

| Waiver No. | Directorate                  | Chief Executive   |                 |
|------------|------------------------------|---|-----------------|
|            | Supplier                     | Justification for waiver  | Value           |
| 840        | Gavin Bryce Film Productions | To carry out work on participatory budgeting case study videos  | £6,000          |
| 841        | Marketing Edinburgh Ltd      | To deliver a launch event with key city stakeholders for the 2050 Edinburgh City Vision.  | £10,784         |
| 846        | Lava Consultancy Limited     | To provide an interim Head of ICT while recruitment for the post is undertaken  | £126,000        |
| 862        | Hudson Global Resources      | To cover the continued recruitment of a temporary project manager for the transformation programme  | £24,500         |
| 865        | Social Stock Exchange Ltd    | Feasibility project to undertake analysis and research to determine the demand and requirements for the establishment of a Scottish Social Stock Exchange | £60,000         |
|            |                              |   | <b>£227,284</b> |

| Waiver No. | Directorate                   | Communities and Families  |                 |
|------------|-------------------------------|---|-----------------|
|            | Supplier                      | Justification for waiver  | Value           |
| 833        | ScoMac Catering Equipment Ltd | To cover additional pieces of catering equipment consistent with the kitchen design and installation at Portobello High School also supplied by ScoMac Catering Equipment Ltd                         | £8,215          |
| 834        | Caber Enterprises Ltd         | To cover music training in special schools in line with funding agreement with Creative Scotland  | £10,220         |
| 848        | Licketyspit Ltd               | To provide high quality drama experiences for children and carers in the early years at Canal View Primary in line with bid to Education Scotland to participate in the Scottish Attainment Challenge | £16,133         |
| 849        | IBase Media Services Ltd      | To provide Libraries with continued online hosting and support for the Capital Collections for one year   | £8,070          |
| 851        | Historic Environment Scotland | To provide library users with continued access to digital materials that represent Scotland's history and culture for the next three years  | £16,695         |
| 854        | ProQuest                      | To provide library users with continued access to the Scotsman digital archive for the next three years   | £13,290         |
| 869        | W F Howes Ltd                 | To provide library users with continued access to over 4,000 online newspapers and magazines from over 100 countries for the next two years   | £18,900         |
| 877        | Princes Trust                 | To deliver the Achieve in Schools programme working in schools to help young people to re-engage in education   | £56,250         |
| 879        | Cengage Learning (EMA) Ltd    | Support the delivery of The Achieve in Schools (Fonner XI) programme working in schools to help young people reengage with education.   | £12,502         |
|            |                               |   | <b>£160,275</b> |

| Waiver No. | Directorate                                 | Place  | Value           |
|------------|---|--|-----------------|
|            | Supplier                                    | Justification for waiver   |                 |
| 835        | Our Power Community Benefit Society Limited | Default energy supplier for empty Council homes in line with the decision made by the Committee in August 2015 on the report: Our Power: Tackling Fuel Poverty for Council Tenants   | £50,000         |
| 844        | Handling Change                             | To provide manual handling training for frontline staff in Waste and Cleansing Services  | £30,000         |
| 856        | Sustrans Ltd                                | To carry out a study on people's views on cycle infrastructure and other cycling projects in Edinburgh funded by the Smarter Choices, Smarter Places Fund administered by Paths For All  | £15,000         |
| 857        | Open Closes                                 | To support a project to encourage more walking in and around the closes off the Royal Mile funded by the Smarter Choices, Smarter Places Fund  | £5,000          |
| 861        | Mott MacDonald Limited                      | To extend the contract for a flood planning consultant to assist with the processing of planning applications with a possible flooding Implication   | £9,000          |
| 867        | James Strang Ltd                            | To undertake additional urgent barrier repairs on the City Bypass and A90. James Strang Ltd was appointed to undertake barrier repairs on high speed roads following a tender process in September 2016  | £16,494         |
| 870        | AOC Holdings Ltd                            | To undertake conservation work to a cannon discovered at Leith Fort during ground works for the Council housing development. AOC Holdings Ltd is the only specialist provider of this service as advised by the Council's Archaeology Officer. | £7,575          |
| 872        | Financial Times Limited                     | To organise an Edinburgh investors' event at MIPIM 2017, a leading international property event. Funding contributions of £18,000 have been secured from the Council's partners, limiting the Council's contribution to a maximum of £14,000.  | £32,000         |
| 874        | Harrison & Harrison Ltd                     | To complete maintenance and repair work on the organ at Mortonhall Crematorium   | £13,750         |
| 880        | Buggy Walks                                 | 57 Walks around the QuietRoute Network to encourage greater levels of walking and cycling  | £8,890          |
|            |   |  | <b>£187,709</b> |

| Waiver No. | Directorate                                 | Resources   | Value    |
|------------|---|---|----------|
|            | Supplier                                    | Justification for waiver  |          |
| 832        | Construction & Property Recruitment Limited | To cover the recruitment of specialist procurement staff to support the Council's Commercial Excellence Programme | £26,208  |
| 836        | Maybo Ltd                                   | To provide for ongoing management training needs until a training framework is established.                       | £114,625 |
| 842        | Hudson Global Resources Ltd                 | To cover the recruitment of specialist finance staff to support the Council's Commercial Excellence Programme     | £20,000  |

|     |  |  |                 |
|-----|--|--|-----------------|
| 843 | Michael Page                               | To cover the recruitment of specialist finance staff to support the Council's Commercial Excellence Programme  | £22,000         |
| 845 | Travelers Insurance Company                | To extend the liability insurance policy for Edinburgh Trams   | £216,000        |
| 847 | Wider Plan Ltd                             | To continue with the Council's existing childcare salary sacrifice scheme until government launches a new scheme in 2017.  | £10,494         |
| 850 | Robert Half Limited                        | To cover the recruitment of specialist finance staff to support the Council's Commercial Excellence Programme  | £22,000         |
| 852 | Blyth and Blyth                            | Consulting engineer to the independent inquiry into matters relating to the closure of Edinburgh schools following on from the wall collapse at Oxfangs Primary                                | £25,000         |
| 853 | SHE Software Ltd                           | To ensure software, hosting services, maintenance, automatic updates and support, plus 265 main system licences, continue to be in place for the Council's health and safety management system | £7,376          |
| 855 | Service Tick                               | To pilot an improved customer satisfaction measurement tool for three months   | £20,700         |
| 863 | Parity Professionals Limited               | To allow the ongoing engagement of a project support officer for the transformation programme.   | £10,000         |
| 875 | Michael Page International Recruitment Ltd | To cover the role of Head of Customer on an interim basis until the appointed postholder joins the Council in March 2017   | £70,000         |
| 876 | Offa Systems Ltd                           | To renew the current Financial Systems helpdesk software for 12 months pending the implementation of a corporate solution  | £6,330          |
|     |  |  | <b>£570,733</b> |

## Appendix 2 – Contracts awarded under the Waiver of CSOs by Committee approval

The following relate to the period 1 October 2016 to 31 December 2016.

| F&R Ref       | Directorate | Communities and Families   |                 |
|---------------|-------------|--|-----------------|
|               | Supplier    | Justification for waiver   | Value           |
| 7.16<br>3 Nov | Various     | To extend additional support for learning contracts to align a number of existing smaller contracts and allow a single strategic contract framework to be put in place | £235,925        |
|               |             |  | <b>£235,925</b> |

| F&R Ref       | Directorate | Health and Social Care   |                   |
|---------------|-------------|--|-------------------|
|               | Supplier    | Justification for waiver   | Value             |
| 7.17<br>3 Nov | Various     | To extend aids for daily living contracts to allow and alternative procurement approach to be undertaken following the recent unsuccessful tender exercise               | £3,840,097        |
| 7.10<br>1 Dec | Various     | To extend mental health wellbeing contracts to allow further collaborative work between the Council, NHS, service users, carers, localities and other interested parties | £901,558          |
|               |             |  | <b>£4,741,655</b> |

| F&R Ref         | Directorate                | Resources  |                   |
|-----------------|----------------------------|--|-------------------|
|                 | Supplier                   | Justification for waiver   | Value             |
| 7.12<br>3 Nov   | Steve Radcliffe Associates | To extend the investment made in leadership to the next level of senior managers in support of the transformation programme and to embed new ways of working | £85,000           |
| B 1.1,<br>1 Dec | Adecco Group UK            | To extend the current agency staff contract to allow sufficient time for the transition of services to the new provider                                      | £8,500,000        |
|                 |                            |  | <b>£8,585,000</b> |

### Appendix 3 – Contracts awarded directly without the requirement for a Waiver

The following relate to the period 1 October 2016 to 31 December 2016.

| Waiver Exempt No. | Directorate      | Communities and Families  |                |
|-------------------|------------------|---|----------------|
|                   | Supplier         | Justification for direct award without a waiver   | Value          |
| 26                | The Drama Studio | To provide weekly drama sessions at Canal View Primary School                                     | £10,807        |
| 30                | Drake Music      | To cover a music project in special schools in line with funding agreement with Creative Scotland | £30,000        |
| 31                | Caritas Care     | To pay fees for looked after children placed with adopters via this agency                        | £27,500        |
|                   |                  |   | <b>£68,307</b> |

| Waiver Exempt No. | Directorate        | Place   |                |
|-------------------|--------------------|---|----------------|
|                   | Supplier           | Justification for direct award without a waiver   | Value          |
| 28                | Air Monitors       | To purchase air monitoring equipment for St John's Road. Air Monitors is the sole UK supplier and service provider  | £24,895        |
| 29                | Innovation Digital | To add employer access to the Edinburgh Guarantee website to enable employers to post their opportunities on the website. Innovation Digital was the original website developer | £4,000         |
|                   |                    |   | <b>£28,895</b> |

**Appendix 4 – Goods and service Contracts awarded with a value over £25,000 and below the committee approval thresholds of the CSOs**

The following relate to the period 1 October 2016 to 31 December 2016.

| Date       | Directorate                                      | Chief Executive  |                 |
|------------|--|--|-----------------|
|            | Supplier   | Contract Description   | Value           |
| 22/12/2016 | Royal Mail Group Ltd                             | Poll Cards and Postal Poll Letters                           | £93,417         |
| 25/11/2016 | Access Intelligence Media and Communications Ltd | Public Relations Tools - Crown Commercial Services - G-Cloud | £27,900         |
|            |  |  | <b>£121,317</b> |

| Date       | Directorate                 | City Strategy and Economy                          |                 |
|------------|-----------------------------|--|-----------------|
|            | Supplier                    | Contract Description                               | Value           |
| 03/10/2016 | Matthew Clark Wholesale Ltd | Beers, Wines and Spirits, Bar Equipment & Services | £249,000        |
|            |                             |  | <b>£249,000</b> |

| Date       | Directorate                    | Communities and Families     |                 |
|------------|--------------------------------|------------------------------|-----------------|
|            | Supplier                       | Contract Description         | Value           |
| 24/11/2016 | Edinburgh Young Carers Project | Young Carers Support Service | £146,504        |
|            |                                |                              | <b>£146,504</b> |

| Date       | Directorate             | Health and Social Care             |                |
|------------|-------------------------|------------------------------------|----------------|
|            | Supplier                | Contract Description               | Value          |
| 29/11/2016 | Allpay Ltd <sup>i</sup> | Provision of Pre paid card service | £99,002        |
|            |                         |                                    | <b>£99,002</b> |



| Date       | Directorate                  | Place   | Value           |
|------------|------------------------------|---|-----------------|
|            | Supplier                     | Contract Description  |                 |
| 02/11/2016 | Sweett UK                    | Professional Services - North Bridge Refurbishment                                      | £425,000        |
| 06/10/2016 | Field And Lawn Limited       | Festive Lighting Infrastructure   | £179,450        |
| 30/11/2016 | Aecom                        | Professional Services - Market Street Bridge  | £60,000         |
| 10/11/2016 | Aecom                        | Professional Services - South Bridge, Cowgate Span, Principal Inspection and Assessment | £50,000         |
| 23/12/2016 | Stirling Enterprise Park Ltd | Provision of Additional Business Gateway One to Many Training (Workshop) Services       | £33,610         |
|            |                              |   | <b>£748,060</b> |

| Date       | Directorate                                  | Place – Income Generating Contracts   | Income to Council |
|------------|--|---|-------------------|
|            | Supplier                                     | Contract Description  |                   |
| 20/12/2016 | The Media Company Publications Ltd (Foodies) | Provision of a Food festival event in Inverleith Park in August over three years. | £43,740           |
| 15/02/2017 | Underbelly Limited                           | Provision of a circus event in the Meadows in August over three years.            | £144,827          |
|            |  |   | <b>£188,567</b>   |

| Date       | Directorate                                    | Resource  | Value    |
|------------|--|---|----------|
|            | Supplier                                       | Contract Description  |          |
| 01/12/2016 | Shepherd and Wedderburn LLP                    | Debt recovery contract  | £357,452 |
| 20/12/2016 | Faithful and Gould                             | Asset Condition Survey  | £321,998 |
| 18/12/2016 | Anderson Bell Christie                         | Professional Services - Greendykes - 70 houses & flats                        | £183,750 |
| 29/11/2016 | Pressure Coolers Ltd T/A Maestro International | Supply and Distribution of Water Coolers, Services and Associated Consumables | £180,000 |

|            |                       |  |                   |
|------------|-----------------------|--|-------------------|
| 14/10/2016 | SP Dataserve Limited  | Half Hourly Meter Operator Contract                    | £151,052          |
| 14/11/2016 | Ashurst LLP           | Tram Extension Legal Advisor appointment               | £111,872          |
| 18/12/2016 | Will Rudd Davidson    | Professional Services - Greendykes - 70 houses & flats | £85,500           |
| 18/12/2016 | Blackwood             | Professional Services - Greendykes - 70 houses & flats | £47,250           |
| 20/10/2016 | Apex Developments Ltd | Roof Repairs - 3 Thorntree Street, Edinburgh           | £39,845           |
| 21/12/2016 | Forum Interactive Ltd | Training – role playing                                | £36,000           |
|            |                       |  | <b>£1,514,719</b> |

**Works Contracts awarded with a value over £25,000 and below the committee approval thresholds of the CSOs**

The following relate to the period 1 October 2016 to 31 December 2016.

| Date       | Directorate                              | Place  | Value             |
|------------|--|--|-------------------|
|            | Supplier                                 | Contract Description   |                   |
| 17/11/2016 | McGill & Co Ltd                          | HAM Framework Lot 5: Kitchen & Bathroom Upgrade, Ad-Hoc Phase 3            | £1,454,708        |
| 11/11/2016 | McGill & Co Ltd                          | HAM Framework Lot 5: Kitchen & Bathroom Upgrade, Wardieburn Area Phase 1   | £1,390,484        |
| 11/11/2016 | McGill & Co Ltd                          | HAM Framework Lot 5: Kitchen & Bathroom Upgrade, Wardieburn Area Phase 2   | £1,390,484        |
| 25/10/2016 | Crummock Scotland Ltd                    | Mini Competition for Citywide 20mph Phase 2 - North and South Central/East | £768,128          |
| 17/10/2016 | Nicholson Bros Electrical                | HAM framework lot 1: smoke replacement and upgrade city wide S2016-17B     | £289,953          |
| 29/11/2016 | McNicholas Construction Services Limited | Tram York Place - Newhaven Route Wide Site Investigation                   | £163,878          |
| 18/11/2016 | P1 Solutions Ltd                         | Moredun Park Loan - Carpark Resurfacing                                    | £69,969           |
| 13/10/2016 | UTEC StarNet Geomatics                   | Leith Non-Intrusive Site Investigation Works                               | £33,700           |
|            |  |  | <b>£5,561,304</b> |

| Date       | Directorate         | Resources   |                   |
|------------|---------------------|---|-------------------|
|            | Supplier            | Contract Description  | Value             |
| 19/10/2016 | SPIE Limited        | Craiglockhart Primary School - Water Quality Improvement Works      | £35,817           |
| 04/11/2016 | Clark Contracts Ltd | Principal Contractor for the Construction of Davidson Mains Nursery | £1,049,746        |
| 07/11/2016 | Clark Contracts Ltd | Principal Contractor for the Construction of Longstone Nursery      | £1,031,811        |
|            |                     |   | <b>£2,117,374</b> |

## Appendix 5 – Progress update on areas reported to Finance and Resources Committee on 18 August 2016

| Service Area                                  | Contract Name          | Description   | Supplier | Contract End Date | Contract Value                             | Background  | Reporting Requirements  | Update – February 2016  |
|---|------------------------|---|----------|-------------------|--|---|---|---|
| Strategy & Insight (Chief Executive's Office) | Various                | Support for (Scottish Parliament election and European Referendum) including logistics, catering, ICT and AV, power supply, signage and site management | Various  | 30/06/2016        | Various (between approx £4,000 to £40,000) | The service has contacted CPS to develop a procurement strategy for forthcoming elections that will mitigate the requirement for individual waivers where possible. In the interim further waivers may be required should an election or referendum be called before procurement process is completed.  | Reporting as required by Contract Standing Orders.  | Further work to amalgamate services for elections still needed. Some services have moved to existing contractors, but specialist services will still require Waivers. Aiming to decrease these going forward. |
| Communities and Families                      | Complex Needs Contract | Support for children and young people with complex disabilities, social, emotional and behavioural needs  | Various  | Ongoing           | Approx £1,000,000 per annum                | Community and Families work with some children and young people with complex disabilities, social, emotional and behavioural needs and additional support needs that sometimes cannot be resourced within currently contracted services. Often specialist services and placements need to be made at short notice due to a crisis at home or in their care placement. . The service areas are currently working with procurement to develop a Complex Needs contract to ensure there is a specification in place to cover this need estimated to be £1M per | It is proposed that the service presents a report regarding the Complex Needs contract to the relevant Executive Committee (see paragraph 3.8). This report shall then be referred to the Finance and Resources Committee for approval of any waiver requirements as appropriate. | This is in progress with a specification in place and agreement required on how to implement when permissions in place e.g. open framework vs closed framework  |

| Service Area             | Contract Name  | Description  | Supplier   | Contract End Date | Contract Value              | Background   | Reporting Requirements  | Update – February 2016  |
|--------------------------|--|--|--|-------------------|-----------------------------|--|---|---|
|                          |  |  |  |                   |                             | annum.   |   |   |
| Communities and Families | Barnardo's Intensive Behaviour Support Service (BIBSS)           | Support to Children and Young People: Disability; intensive early intervention support | Barnardo's Intensive Behaviour Support Service (BIBSS) | 31 October 2016   | £44,750                     | Currently six month contract by Direct Award approved by waiver under Delegated Authority for 1 April – 31 October 2016. This was previously delivered through a pilot, and a review of the service and procurement strategy is currently underway. Due to current resourcing pressures a waiver of a value of £44,750 until 31 March 2017 would allow further time for detailed consideration and review.                       | Waiver form to be completed for consideration.  | The Service will be brought in-house. This is on target, there is a four week variation in place to cover the timings of interventions.                         |
| Communities and Families | Independent Care Placement, Residential and Day School Contracts | Direct Award of Independent Care Placement, Residential and Day School Contracts       | Various  | Ongoing           | Approx £1,000,000 per annum | In addition to the Direct Award of independent care placements, residential and day school contracts approved at F&R in March 2016, there continues to be a requirement to use a number of other Scottish and English providers for placements, often at short notice and/or due to the need to match individuals into specialist care. An extension is required to a value of £1,500,000 to cover this spend and align with the | It is proposed that the service presents a report regarding additional Placement contracts to the relevant Executive Committee (see paragraph 3.8). This report shall then be referred to the Finance and Resources Committee for approval of any waiver requirements as appropriate. | Use of non-contracted suppliers is decreasing with partner local authorities. Some progress with, for example, extending the Harmer contract with the Lothians. |

| Service Area                       | Contract Name                                   | Description   | Supplier      | Contract End Date | Contract Value | Background   | Reporting Requirements   | Update – February 2016  |
|------------------------------------|---|---|---------------|-------------------|----------------|--|--|---|
|                                    |   |   |               |                   |                | existing waiver approved by Committee to March 2018. The service will require to work with CPS to develop procurement strategy, aggregating spend and putting in place contracts through competitive procedure where possible.   |  |   |
| Health and Social Care Partnership | Waverley Care - Milestone House Respite Service | Short Break (Care Home - Blood Borne Virus)         | Waverley Care | 31/10/2016        | £932,816       | A review is underway which is likely to alter the service specification. This work is expected to identify a preferred way forward in 2017. An extension of £1,111,954 until 31 October 2018 is currently under consideration, with the contract requiring to be let for one year with an option to extend for a further year. | It is proposed that the service presents a report regarding the Respite Service to the relevant Executive Committee (see paragraph 3.8). This report shall then be referred to the Finance and Resources Committee for approval of any waiver requirements as appropriate. | The service is still to progress the report to the Edinburgh Integration Joint Board  |
| Planning and Transport (Place)     | Roseburn to Union Canal Cycleway                | Consultant for the Roseburn to Union Canal Cycleway | WSP UK Ltd    | 31/12/2015        | £499,723       | CPS understands that there has been an increase in cost and timescale on this project (to 31/12/2018). Any requirements for reprocurement or a waiver needs to be identified by the service.   | It is proposed that the service presents a report regarding this consultancy to the relevant Executive Committee (see paragraph 3.8). This report shall then be referred to the Finance and Resources Committee for approval of any waiver requirements as                 | This contract covers 3 stages of work, with stages 1 and 2 now nearing completion. Stage 3 covers the detailed design. The total cost relating to this contract is forecast to have increased and a |

| Service Area         | Contract Name | Description           | Supplier                             | Contract End Date | Contract Value | Background   | Reporting Requirements                         | Update – February 2016  |
|----------------------|---------------|-----------------------|--------------------------------------|-------------------|----------------|--|--|---|
|                      |               |                       |                                      |                   |                |  | appropriate.                                   | report will be presented to this Committee on 8 <sup>th</sup> June.   |
| Customer (Resources) | Printing      | Printing of resources | Taskforce Finishing and Handling Ltd |                   | £62,402.19     | The Service and CPS are currently undertaking a strategic review of print requirements. In the mean time an extension is may be required to cover continued use of this supplier at a value of £60,000 until 31/03/2017. Any waiver requirement could be approved under Delegated Authority. | Waiver form to be completed for consideration. | Ongoing – no further update. Customer is working with CPS to develop proposals for a strategic review of external printing requirements. The approach taken will determine the interim requirements in the short term which will be covered in a waiver request |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Award of Postal Services Framework

|                   |     |
|-------------------|-----|
| Item number       | 7.8 |
| Report number     |     |
| Executive/routine |     |
| Wards             |     |

### Executive summary

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This report seeks the approval of the Finance and Resources Committee, under the Council's Contract Standing Orders, to adopt the Scottish Government's Postal Services Framework. This Framework is a re-let of the Framework which the City of Edinburgh Council had previously agreements for Ad-hoc and Hybrid Mail (Lot 1) and Planned Mail (Lot 2). It is the recommendation of this report that the Council adopts both lots for a period of two years with options to extend for a further 24 months.

### Links

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|                          |
|--------------------------|
| Coalition pledges        |
| Council outcomes         |
| Single Outcome Agreement |



## Award of Postal Services Framework

### 1. Recommendations

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- 1.1 In line with the Council's Contract Standing Orders (CSOs), it is a requirement that approval is sought from the Finance and Resource Committee for the use of Lots 1 and 2 of the Scottish Government Mail Services Framework, for two years with the option to extend for a further 24 months.

### 2. Background

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- 2.1 The Council has an ongoing requirement to provide a postal service to addresses in the UK, Europe and the rest of the world. This is provided via a centralised mail service which unifies demand through the Council. Predominantly, this was provided by Whistl under the previous Scottish Government Framework.
- 2.2 Although the demands and form of the service will vary during the transformation review, mail services will continue to be a long term requirement of the Council.
- 2.3 External mail is collected from across the Council estate on a daily basis and processed through two franking machines. As part of the previous framework, 70% of mail was processed by Whistl under Lot 1; 'Ad Hoc and Hybrid Mail'. This was for the collection and delivery of physical mail as well as the option for a hybrid mail system that allowed organisations to issue a 'soft letter' to a production site, where it would be produced and enter into the Royal Mail network for the final delivery. The remaining 30% was processed by Royal Mail under Lot 2 of the contract; 'Planned Mail', which included any special or recorded mail, as well as excess mail that Whistl were unable to manage collection of.

### 3. Main report

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- 3.1 The Council requires both routine and ad hoc bulk mail services to perform its functions effectively. Whilst general mail volumes are declining with the use of alternative forms of communication, the Council will continue to be reliant on the service for the foreseeable future. It is anticipated that the majority of Bulk Mail will be managed by CGI in the future, however some areas may choose this Framework for large volume services.
- 3.2 In October 2016 the Scottish Government Tendered for the Postal Services Framework. This Framework will run from 1 October 2016 until 30 September

2019, with an option to extend for a further 12 months. Previously, the service had been split into two lots; Ad-hoc/Hybrid Mail (Lot 1) and Planned Mail (Lot 2).

- 3.3 The new Framework is split into Physical and Hybrid Mail (Lot 1) and Scheduled/Regular Bulk Mail (Lot 2), to remove any ambiguity between the two lots.

#### **Overview of Lot 1 Physical**

3.3.1 Collection is made daily from Edinburgh Council offices - the Service will cover:

- Machineable Letter Unsorted;
- Non Machineable Letter Unsorted;
- Mailsort Pre-Sorted 2nd class;
- International Letter Rest of the World Unsorted;
- International Letter Europe Unsorted; and
- Packets and Parcels

#### **Overview of Lot 1: Hybrid Mail**

3.3.2 Hybrid Mail is a service that allows users to develop their mail format and content on their own desktop and then issue the soft letter to an off-site mail production centre for daily/ad-hoc printing and mail generation. The mail is then sorted and passed for delivery to the final destination. Hybrid mail achieves environmental benefits; reduces expenditure on stationery; and ensures that the most optimum tariff is achieved. Services offered include:

- both letter and large letter items; and
- a bespoke customer departmental return address application.

#### **Overview of Lot 2: Scheduled/Regular Bulk Mail**

- 3.4 This is for the production and delivery of scheduled/regular or bulk mailings by Royal Mail.
- 3.5 Royal Mail have been successful for both lots which effectively creates a single supplier solution. Under the terms of the framework the Council is able to access the services offered without the need for further competition.
- 3.6 The new framework with Royal Mail will come at a significantly lower cost than the previous arrangement.
- 3.7 The 2017 Election postal costs and associated savings have been captured by a separate call off and are not included within the remit of this report.
- 3.8 The expected spend and subsequent savings have been calculated on the assumption that demand for mail services will remain static. This is a conservative approach based on past performance. However more optimistically it could be considered that demand will decrease as a result of various ongoing projects, for example the "Save time. Do it online." campaign.

3.9 The Contract will be managed within the Customer Services division. As part of this process, Royal Mail will provide as a minimum a suite of reports including but not limited to:

- Monthly, quarterly and annual actual spend and saving reports;
- Expenditure details including products purchased, date of invoice, financial code, cost centre, Framework Public Body. This shall be available on a line-by-line basis (transaction level) and/or at summary level, as required;
- Volumes of types of mail purchased (e.g. Machineable Letter (Next Day Regional), Machineable Letter (2-3 day), simplex, duplex, colour/monochrome sheets used, additional insert and sheets, and sort cost);
- Exception reports;
- Service level reports;
- Sustainability reports including details of sustainable products purchased and carbon emissions associated with uplift/delivery of the service; and
- Outstanding debt report by Framework Public Body.

3.10 The Council has been using the Scottish Government Framework since February 2017 in order to maximise the financial savings. As there was no change in service or provider, it is financially prudent to seek retroactive approval in order to maximise savings.

## Measure of success

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- 4.1 The Council will have access to a fully compliant framework for the delivery of postal services which will enable both the efficient running of day to day Council operations.
- 4.2 Effective communications with the citizens of Edinburgh covering both routine correspondence and updates on service developments.

## Financial impact

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- 5.1 Commercial and Procurement Services have assessed the Scottish Government Framework and relevant Crown Commercial Services Frameworks.
- 5.2 The implementation of this framework will deliver an anticipated saving of £94,000 per annum, broken down in the financial impact below:

|   |                                     | Year 1      | Year 2      | Year 3      | Year 4      | 4 Year Total  |
|---|-------------------------------------|-------------|-------------|-------------|-------------|---------------|
| <b>Baseline Annual Spend on postage based on previous years</b> | <b>Lot 1 Ad Hoc and Hybrid Mail</b> | £152,000.00 | £152,000.00 | £152,000.00 | £152,000.00 | £608,000.00   |
|   | <b>Lot 2 - Planned Mail</b>         | £353,000.00 | £353,000.00 | £353,000.00 | £353,000.00 | £1,412,000.00 |
|   |                                     | £505,000.00 | £505,000.00 | £505,000.00 | £505,000.00 | £2,020,000.00 |
| <b>Expected Spend on Postage</b>                                | <b>Lot 1 Ad Hoc and Hybrid Mail</b> | £126,000.00 | £126,000.00 | £126,000.00 | £126,000.00 | £504,000.00   |
|   | <b>Lot 2 - Planned Mail</b>         | £285,000.00 | £285,000.00 | £285,000.00 | £285,000.00 | £1,140,000.00 |
| <b>Savings</b>  |                                     | £94,000.00  | £94,000.00  | £94,000.00  | £94,000.00  | £376,000.00   |

- 5.3 If extended for the full four year period, there is an estimated saving of £376,000.
- 5.4 There is some scope for price increases and changes at fixed points throughout the life of the contract however these will be limited by the consumer pricing index.
- 5.5 The procurement costs associated with this contract are estimated at up to £10,000.

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

| Risk                           | Owner             | Severity | Mitigating action   | Review Date  |
|--------------------------------|-------------------|----------|---|--|
| Contract implementation        | Peter Rossborough | Low      | Regular scheduled contract review meetings                    | Quarterly contract meetings                                      |
| Non compliance                 | Peter Rossborough | Low      | Monitoring of contract by both Council Officer and Royal Mail | Non compliance with the contract will be reviewed when necessary |
| Contract ownership/ management | Peter Rossborough | Low      | Assignment to Operations Manager                              | Monthly  |

## 7. Equalities impact

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- 7.1 As per Sections 8 and 9 of the Procurement Reform Act (Scotland) 2014, it is the responsibility of the Council to assess equality impacts of this procurement exercise. As the incumbent supplier, there will be no equalities impact to take into account.

## 8. Sustainability impact

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- 8.1 Due to the nature of the Postal Services contract and because it is drawn from a national Framework Agreement, community benefits have been realised as part of the wider Framework.
- 8.2 Royal Mail have committed to the following Fair Work Practices;
- Are recognised by the Living Wage Foundation as a best in industry employer;
  - Pay all permanent employees at least the living wage rate set by the Living Wage Foundation;
  - Sub-contracting staff at CFH Docmail Ltd (Lot 2) are paid over the National Living Wage rate;
  - Do not use zero hours contracts for permanent staff;
  - Are featured in The Times Top 50 Employers for Women;
  - In 2015, had 101 female employees who attended the Springboard Development Programme which enables women to identify the clear, practical and realistic steps that they want to take to make a better world for themselves at work and home, whilst building the practical skills and confidence to take these steps;
  - Participate as one of 11 national partners in Business in the Community's Ready for Work programme which helps long term unemployed people to find jobs. In 2014/15 they offered 40 placements under the scheme;
  - Are a signatory to the Government's Think, Act, Report Initiative;
  - Work with Business in the Community's Opportunity Now and the Race for Opportunity programmes which promote equal opportunities best practice;
  - Invested over £24.8 million in training during the last financial year (2014/15).
  - Provide other key staff benefits including: paid holidays, sick leave, maternity and paternity leave, adoption leave; a defined contribution pension scheme for new employees; via the sports foundation, healthy living and blood donation onsite
- 8.3 Royal Mail committed to follow a continuous improvement strategy to support sustainability efforts:
- Climate and Energy - Achieve a 20% reduction in emissions by 2020/21, compared to a 2004/05 baseline.

- Waste Reduction -Waste strategy is structured according to the five Rs: refuse, reduce, reuse, recycle and reform. Royal Mail diverted 78% of waste from landfill last year; and
- Water Use - Committing to managing water effectively and efficiently. Royal Mail recorded a 1% fall in water usage during 2014/15.

## 9. Consultation and engagement

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9.1 As there has been no service change, consultation has not been required.

## 10. Background reading/external references

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<http://www.gov.scot/Topics/Government/Procurement/directory/CorporateServices/PostalServicesRelet>

[Royal Mail: The Outlook for Mail in 2023](#)

### 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 outcomes</b>         | CP7 Access to work and learning  |
| <b>Single Outcome Agreement</b> | SO1 Edinburgh's economy delivers increased investment, jobs and opportunities for all      |
| <b>Appendices</b>               | Appendix 1 – Summary of Tendering and Tender Evaluation Processes                          |

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

|                               |   |
|-------------------------------|---|
| Contract Name                 | Post Services Framework   |
| Contract period               | 30 January 2017 – 29 January 2019 with option to extend for a further 24 months |
| Estimated contract value      | £1,814,000  |
| Standing Orders observed      | Yes   |
| Tenders returned              | N/A   |
| Tenders fully compliant       | N/A   |
| Name of recommended suppliers | Royal Mail  |
| Primary criterion             | Direct Award to Scottish Government national Framework                          |
| Evaluation Team               | N/A – Direct Award from Scottish Government Framework                           |
| Procurement Costs             | Up to £10,000   |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Workplace Travel Planning Consultants - Award of Contract

|                   |           |
|-------------------|-----------|
| Item number       | 7.9       |
| Report number     |           |
| Executive/routine | Executive |
| Wards             | All       |

### Executive Summary

In December 2016, the Council was invited to bid for 'Smarter Choices, Smarter Places' (SCSP) external funding for a third year. This is revenue funding from Transport Scotland, intended for behaviour change initiatives to persuade people to choose active and sustainable travel in place of car driving for local journeys. Over the past two years, the Council's SCSP programmes have featured a city-wide programme of Travel Planning in organisations, to encourage behaviour change towards more sustainable and active travel to work. This report seeks the approval of the Finance and Resources Committee to approve the award of Workplace Travel Planning Consultancy services to Sweco Ltd for the contract award amount of £100,000. The award of the contract is subject to the outcome of the Council's application for SCSP funding, which will be published on the 1 April 2017.

### Links

|                          |   |
|--------------------------|---|
| Coalition Pledges        | <a href="#">P45, P50</a>                  |
| Council Priorities       | <a href="#">CP2, CP4, CP9, CP11, CP12</a> |
| Single Outcome Agreement | <a href="#">SO2, SO4</a>                  |



## Workplace Travel Planning Consultants - Award of Contract

### 1. Recommendations

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- 1.1 This report asks the Finance and Resources Committee to:
- 1.1.1 to approve the award of contract for Workplace Travel Planning Consultancy Services to Sweco Ltd for the contract value of £100,000; and
  - 1.1.2 to note that the award of contract is subject to the outcome of the Council's application for funding from the 'Smarter Choices, Smarter Places' (SCSP) fund.

### 2. Background

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- 2.1 In December 2016, the Council was invited to bid for SCSP external funding for a third year. This is revenue funding from Transport Scotland, intended for behaviour change initiatives to persuade people to choose active and sustainable travel in place of car driving for short, local journeys. Over the past two years, the Council's SCSP programmes have featured a city-wide programme of travel planning in large workplaces, to encourage behaviour change towards more sustainable and active travel to work.
- 2.2 As part of the Council's SCSP programme in 2015/16, 35 business sites in Edinburgh participated in a workplace Travel Planning project. The aim was to encourage people to reduce their car use in favour of more sustainable alternatives such as walking, cycling and public transport when travelling for work purposes. Specifically, the project aimed to address single occupancy car use at sites where this is an issue.
- 2.3 The workplace Travel Planning programme was continued into 2016/17, and has engaged with 57 workplace sites this financial year. The Council aims to grow this number in 2017/18, and SCSP funding will enable this project to operate for a third year.
- 2.4 The Council has already invested millions of pounds in improving active travel infrastructure with resulting increases in walking and cycling. The SCSP programme of behaviour change initiatives complements this investment and seeks to maximise the potential increase in walking and cycling.
- 2.5 Travel Planning is recognised as a key behaviour change tool to encourage people to undertake more journeys by active travel. This £100,000 investment in Travel Planning is therefore a very significant aspect of the SCSP programme.

- 2.6 The project involves undertaking a set of Travel Planning measures within large workplaces in Edinburgh during the financial year 2017/18. Similar to the workplace Travel Planning project in 2015/16 and 2016/17, these will include promotional events, one-to-one personalised Travel Planning, workplace promotional materials, area-specific travel maps and active travel incentives. More detail regarding the content of the project is outlined in Appendix 1.
- 2.7 Some existing workplace active travel engagement programmes are already in existence in Edinburgh, through organisations like Sustrans and the Bike Station. The Travel Planning project will seek to work with existing programmes to aim to achieve maximum travel behaviour change.
- 2.8 Furthermore, some business groups are actively seeking to engage in Travel Planning, for example Edinburgh Park Management Ltd. Through building on these links and establishing new ones, this programme aims to engage significant numbers of employees in using more sustainable transport solutions.
- 2.9 In addition, there is a specified programme of travel planning initiatives specifically for Council workplace sites. These include: engaging cross-departmental action and policy support for active travel, travel planning initiatives for staff and, potentially, financial support for active travel facilities at Council workplaces.

### **3. Main report**

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- 3.1 Commercial and Procurement Services (CPS) in collaboration with Active Travel commenced the procurement process for Workplace Travel Planning Consultancy Services in January 2017.
- 3.2 The Council has been successful in securing funding from SCSP for the previous two financial years and have carried out previous procurement exercises annually. On both occasions, the Council appointed Sweco Ltd, having identified their proposals as the most economically advantageous to the Council.
- 3.3 Due to the limited timescales and the uncertainty of the funding at this time CPS, in collaboration with Active Travel, has identified a Direct Award to Sweco Ltd for a further year to be the most appropriate route to market.
- 3.4 The justifications for a Direct Award under the Scotland Excel Framework – Engineering and Technical Consultancy Services are identified as:
  - Through Sweco Ltd's involvement over the previous two years, they have developed a thorough understanding of the Council's ambitions for travel planning, and are aware of realistic measures towards achieving this
  - Sweco Ltd achieved all KPIs and delivered very good quality outputs; continuing the existing working relationship with the consultants would enable more efficient and effective delivery of the brief, in a more time and cost-efficient way than briefing a new consultancy.

- The Scotland Excel Framework – Engineering and Technical Consultancy Services contract was procured via the Official Journal of the European Union and the award of contract was based on 60% quality, 40% cost ratio therefore Sweco Ltd have been through a compliant procurement process and were identified as offering one of the most economically advantageous offerings to the 32 local authorities who have access to the Framework.
- 3.5 It has been suggested that SCSP funding may be available for three years after 2017/18, and it is likely that travel planning in workplaces may form a significant part of future SCSP projects.

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

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- 4.1 Measures of success of the 2017/18 workplace Travel Planning project will be developed in the SCSP Project Plan, in accordance with the guidelines stipulated by the Scottish Government. These are likely to include:
- Increased awareness of active travel routes in the target area (%);
  - Provision of promotional materials and maps related to the key local destinations in the target area by foot and bike (number distributed);
  - Numbers of employees: 1. engaged with the programme; 2. engaged in personalised Travel Planning; 3. who have increased or are considering increasing their level of active travel; and
  - Changes in travel habits.
- 4.2 Appendix 1 provides the monitoring data for 2015/16 and 2016/17.
- 4.3 The outputs and outcomes of the entire SCSP programme will be reported to Paths for All, the body responsible for administering the funds on behalf of Transport Scotland, in the final evaluation report, which will be submitted at the end of the project delivery in June 2018.

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

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- 5.1 The SCSP programme requires 50% match by the local authority and its potential partners in order to claim the SCSP grant.
- 5.2 Match funding has been identified to enable the Council to claim the grant, as per the grant conditions outlined in the application guidance.
- 5.3 The SCSP grant has been able to fund the set-up and delivery cost of the first year of the Travel Planning programme in 2015/16, at a cost of £127,332. This engaged 35 workplace sites.
- 5.4 The following year, the SCSP grant was able to fund the delivery of the second year, which has been able to engage with 57 workplace sites to date during 2016/17. The cost for this has been £94,921 and this expenditure has resulted in

significant growth in the programme, demonstrated by an almost doubling in the number of engaged workplace sites.

- 5.5 It is recommended to continue to fund the project at this level. Evaluation reports following the delivery of similar projects highlight that a similar level of investment is best practice whilst growing a travel behaviour change project, to maximise potential impact and exposure of the programme, and also to maintain existing relationships with already-engaged employers.
- 5.6 The Council is submitting a core bid for SCSP funding as well as an application for any additional funds available. The Travel Planning element of the Council's core bid is £72,000, and it is intended to bid for an additional £28,000, taking the total contract value to £100,000.
- 5.7 The cost associated with procuring these services is up to £10,000.

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

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- 6.1 On [15 March 2016](#), the Transport and Environment Committee agreed to delegate powers to the Senior Manager – Roads Network, in consultation with the Convener and the Vice Convener, to further develop and deliver a plan and detailed programme for spending the SCSP funds.
- 6.2 Procurement guidelines for using consultants are being closely adhered to.
- 6.3 The SCSP programme provides a positive impact in delivering the Local Transport Strategy and allows progress to be made in delivering a key component of the Active Travel Action Plan (ATAP), to improve active travel marketing. Without the Smarter Choices, Smarter Places funding there would be little or no progress on this important aspect of the ATAP.
- 6.4 The project will be managed using the principles of the PRINCE2 project management method, to ensure organisation and accountability.

## **7. Equalities impact**

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- 7.1 An Equalities and Rights Impact Assessment for the SCSP programme has been undertaken, and this will continue into 2017/18.
- 7.2 There are likely to be positive impacts on enhancing the range of human rights. In particular, the project promotes: an increased awareness of vulnerable road users; participation in active travel; the health and social benefits associated with active travel.

## **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. Relevant Council sustainable development policies have been taken into account and are noted at Background Reading later in this report.

- 8.2 The proposals in this report will reduce carbon emissions and help achieve a sustainable Edinburgh, as the project will help develop and contribute towards the outcomes of the Active Travel Action Plan and Sustainable Energy Action Plan.

## 9. Consultation and engagement

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- 9.1 The Council's Active Travel Forum has been consulted on the composition of the SCSP programme for 2017/18, including Travel Planning initiatives. Engagement with, and reporting to, the Forum will continue throughout the project.

## 10. Background reading/external references

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- 10.1 [Active Travel Action Plan](#).
- 10.2 [Smarter Choices, Smarter Places 2017/18 Application Guidance, December 2016](#).

### Paul Lawrence

Executive Director of Place

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## 11. Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition Pledges</b>        | P45 - Spend 5% of the transport budget on provision for cyclists<br>P50 - Meet greenhouse gas targets, including the national target of 42% by 2020  |
| <b>Council Priorities</b>       | CP2 - Improved health and wellbeing: reduced inequalities<br>CP4 - Safe and empowered communities<br>CP9 - An attractive city<br>CP11 - An accessible connected city<br>CP12 - A built environment to match our ambition |
| <b>Single Outcome Agreement</b> | SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health<br>SO4 - Edinburgh's communities are safer and have improved physical and social fabric                         |
| <b>Appendices</b>               | Appendix 1 - Detail relating to previous Travel Planning projects  |

## Appendix 1: Detail relating to previous Travel Planning projects

### Summary of initiatives:

In 2015/16 and then again in 2016/17, the Council commissioned Sweco (formerly Grontmij) to deliver workplace travel planning. Sweco developed the programme, contacted organisations and offered employers travel advice and initiatives such as bike maintenance and cycle leader training. In return, the Council gained survey data from each employer regarding % of staff travelling by each mode of transport, a useful data source for monitoring purposes, and also for building knowledge on initiatives which will be effective for changing travel behaviour towards more active/sustainable modes.

Workplaces were eligible to participate in the programme, subject to some criteria. Large employers were engaged with, to enable widespread data collection and analysis, to enable conclusions to be reached regarding travel behaviour. In addition, workplace sites required to be within a reasonable distance of established active travel routes (National Cycle Network and QuietRoutes), to ensure active travel is a realistic travel option, when promoting this in workplaces. The project engaged with 35 workplace sites in 2015/16 and has engaged with 57 workplace sites to date during 2016/17. Engagement has involved organising travel roadshows, with personalised travel planning (myPTP); and offering travel planning advice to employers.

### Key impacts/findings from the workplace travel planning project in 2015/16:

At the initial travel survey, 11% of respondents walked, 11% cycled, 23% travelled by bus and 35% travelled by car on their own. There does appear from the follow up mode share survey to have been a slight improvement in use of active modes, and a reduction in single occupancy car use. It should however be noted that, given the small sample size, it is possible that people with an interest in active travel and sustainability may have been more likely to complete the follow-up surveys. The follow up survey showed that 11% travelled on foot; 19% travelled by bike; 22% travelled by bus and 29% travelled by car (single occupancy).

In regards to the 'On Foot, by Bike' campaign, 34% of respondents to the follow-up survey were aware of the campaign. This is a significant improvement from the start of the programme where only 3% of employees surveyed were aware of the campaign. Regarding the 'On Foot, by Bike' leaflets and maps, 4% of those aware of the campaign had used them, and 17% were aware of them, but had not used them yet.

The follow up survey showed that 24% were very likely or likely to travel more actively and sustainably as a result of taking part in the workplace travel planning project. 23% of respondents reported to have driven less; and 41% of respondents report to have walked more as a result of taking part in the travel planning project. These results are encouraging, but it is important to note again the small sample size, compared with the sample size for the 'before' surveys.

The evaluation data from 2016/17 is not yet available, as the project is in the process of being delivered.

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## BEMS Installation Framework Agreement – Award under Delegated Authority

|                   |      |
|-------------------|------|
| Item number       | 7.10 |
| Report number     |      |
| Executive/routine |      |
| Wards             | All  |

### Executive Summary

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The Property and Facilities Management Service are running a programme to upgrade Building Energy Management Systems (BEMS) across the Council's operational property portfolio. To facilitate the delivery of the upgrade programme, a multi-supplier BEMS framework agreement requires to be put in place.

There would be benefit to having a framework agreement in place in sufficient time to carry out works during the school summer holidays 2017. Therefore, this report seeks the approval to delegate authority to the Acting Executive Director of Resources to appoint a framework of suppliers, following completion of the tender exercise.

### Links

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|                          |                          |
|--------------------------|--------------------------|
| Coalition Pledges        | <a href="#">P50</a>      |
| Council Priorities       | <a href="#">CP12</a>     |
| Single Outcome Agreement | <a href="#">SO3, SO4</a> |

## BEMS Installation Framework Agreement – Award under Delegated Authority

### 1. Recommendations

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#### 1.1 That Committee:

- 1.1.1 Delegates authority to the Acting Executive Director of Resources, in consultation with the Convenor and Vice Convenor of Finance and Resources Committee, to appoint a framework of suppliers to deliver the planned upgrade of the Council's BEMS estate which consists of approximately 180 properties, for a period of two years with two optional 12 month extensions to be undertaken at the sole discretions of the Council commencing in June 2017; and
- 1.1.2 Notes the total budget of £2.5m for the project, as detailed in the Financial Implications section of this report.

### 2. Background

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- 2.1 A BEMS is a computer-based system which controls the main mechanical and electrical services within a building. The successful implementation and operation of a BEMS is essential to the management of building performance and energy efficiency.
- 2.2 The Council has an extensive portfolio of BEMS including in all corporate offices, care homes, high schools and the majority of primary schools.
- 2.3 The Council's BEMS are in urgent need of upgrading or replacement. Many systems are ageing and not functioning correctly with some systems now obsolete, making it difficult to maintain operational performance and source replacement components.
- 2.4 The Property and Facilities Management Services (PFM) have initiated a programme to upgrade the Council's BEMS. To support the upgrade, the Council requires to appoint a framework of suppliers to provide the following services:
  - survey of sites and generation of detailed upgrade proposals;
  - upgrade, replace or install BEMS control systems in line with the Council's BEMS Specification; and



- develop graphics for new BEMS installations in line with the Council's BEMS Specification.
- 2.5 PFM have developed a robust strategy for system upgrades and replacements including a detailed specification to ensure that upgraded control systems are delivered to a standardised set up and a consistent high quality.

### 3. Main report

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- 3.1 To facilitate the delivery of BEMS upgrades to schools during the 2017 school summer holidays, this report seeks delegated authority to appoint suppliers to a framework agreement. This will allow the Council to progress the tender process in advance of the next Finance and Resources Committee cycle.
- 3.2 In consultation with Commercial and Procurement Services, it is intended that a contract notice will be placed for the BEMS Framework Agreement on the Public Contracts Scotland Portal during March 2017.
- 3.3 A cost/quality ratio of 60/40 will be applied in the evaluation. This is in recognition of the need to deliver both value for money and a quality service. Key quality factors for consideration will include the ability of tenderers to effectively project manage works and deliver BEMS installations to a high standard and in line with the Council's BEMS specification.
- 3.4 Organisations noting interest in tendering will be able to download the tender documentation which will be attached to the notice.
- 3.5 Tenders will be evaluated individually by an evaluation panel consisting of a minimum of three members. On completion of the individual qualitative evaluation, a moderation meeting will be held by the Commercial and Procurement Services Lead, and attended by the members of the evaluation panel. Individual scores will be reviewed and debated and a consensus score will be reached for each Tender. The consensus score and justification for the decision will be recorded.
- 3.6 The Council will apply a two stage evaluation process to all tenders received:
- 3.6.1 Stage 1 (Selection Criteria & Exclusion grounds) - The aim of the stage 1 evaluation is to allow the Council to identify suitable Tenderers in terms of compliance with the procurement regulations and the minimum contract specific standards set.
- 3.7 Only Tenderers who demonstrate suitability in those terms will be taken forward and evaluated in accordance with stage 2.
- 3.7.1 Stage 2 (Award Criteria) - The aim of the stage 2 evaluation is to select the tenders which represent the best overall value for money. This evaluation will include an emphasis on quality as well as price.

- 3.8 The quality analysis will be based on the answers provided in response to the weighted Award Criteria Questions and will be scored as per the published scoring matrix. The 40% quality ratio will be applied to the weighted quality score.
- 3.9 Following completion of the quality analysis, Tenders will be subject to a cost analysis. The cost analysis will establish a total estimated annual cost, based on estimated annual quantities of specified parts/products and labour multiplied by the tenderer's responses to the Schedule of Rates (SoR). Tenders will be required to quote their maximum rates for the specified parts/products and labour reflective of the maximum rates that will be applied during the contract period.
- 3.10 The lowest priced bid will be allocated the 60% cost ratio. All other bids will be scored on a prorated basis against the lowest bid. Scores from the quality analysis will then be combined with the scores for the cost analysis to reach a combined score and ranking for each tender submission.
- 3.11 The top six ranking suppliers, which meet the minimum quality score threshold, will be appointed to the framework agreement.
- 3.12 The following call off methodology will be applied during the contract period:
- Direct award - In urgent situations (defined by the Council at their discretion) the highest ranking supplier will be awarded the business. If they are unable to deliver the works the next highest ranked supplier will be offered the business and so on. The prices quoted by that supplier in their original tender submission will be applied; and
  - Mini competition - For the majority of the work, all suppliers on the framework agreement will be invited to a mini competition where they will quote for packages of work as per the Council's requirements. These submissions (upgrade proposals) will be assessed on a cost/quality basis applying the same overarching cost/quality ratio used in the original framework agreement (60/40 cost/quality). Mini competitions will drive further value for money as suppliers will be able to improve upon the maximum rates they quoted during the original tender exercise.
- 3.13 The Contract shall be subject to The City of Edinburgh Council's Terms and Conditions of Contract.

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

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- 4.1 The outcomes of this procurement exercise will contribute towards the Council's obligations under the Climate Change (Scotland) Act 2009. Furthermore, upgraded BEMS is a critical step in enabling the Council to effectively deliver on the procedures outlined in the Council's Energy Policy.
- 4.2 The realisation of the operational benefits achievable through a modern BEMS including better control over heating and ventilation plant, improved thermal comfort, targeted maintenance and reduced energy consumption.

- 4.3 The provision of a control platform that will facilitate the delivery of future energy improvements and energy awareness initiatives.
- 4.4 Management oversight of the operational performance of the Council's BEMS estate and associated mechanical and electrical plant.

## **5. Financial impact**

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- 5.1 The framework agreement has a total estimated value of £2.5m (for the total contract period including possible extensions) and will be funded by the Asset Management Programme. Annual values will be dependent on the works undertaken within each year which will vary.
- 5.2 Any savings achieved will be dependent on tendered prices, mini competition discounts and the usage of the contract during the contract period. The Service Area Finance Manager will be responsible for benefits tracking and realisation following contract commencement.
- 5.3 The costs associated with procuring this contract are estimated at £10,001 - £20,000.

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

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- 6.1 Failure to deliver a high quality BEMS Installation and associated control/software setup would have a significant impact on the successful delivery of the benefits associated with the Council's BEMS Strategy. To support the delivery of high quality works, the Council has appointed an experienced BEMS Project Manager and has produced a detailed BEMS Specification that fully defines requirements for BEMS works.
- 6.2 There is a significant risk to Best Value, maintainability and building operation if the Council lacks a clear programme and methodology for the upgrade of BEMS. The Council has developed a detailed BEMS Strategy which sets the vision for the upgrade of BEMS across the Council estate and defines specific requirements for works.
- 6.3 Failure to deliver the upgrade works would lead to operational risks, maintenance challenges and, as a consequence, poor control of BEMS and associated plant. This would result in increased energy consumption and therefore, increased spend on electricity and gas and associated Carbon emissions. There are a number of legislative drivers that encourage efficient use of energy.
- 6.4 The tender process will be undertaken in compliance with the Public Contracts (Scotland) Regulations 2015.

## 7. Equalities impact

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7.1 No equalities or rights impacts have been identified in relation to this report.

## 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.
- 8.2 A significant portion of the Council's energy use is controlled through its BEMS infrastructure. Upgrading the Council BEMS will improve the opportunity to deliver sustainability benefits through appropriate energy management across the Council estate, including reduced consumption and associated carbon reduction.
- 8.3 The works undertaken through this framework agreement will help facilitate the delivery of the Council's Energy Policy. Consultation is regularly undertaken with colleagues across the Council to ensure collaboration on shared sustainability objectives including the Energy Policy and wider energy management.

## 9. Consultation and engagement

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9.1 The procurement process is being undertaken in consultation with the Council's Commercial and Procurement Services. The Council's ICT Solutions service were also consulted and confirmed that as the project does not tie in with any ICT systems or software collaboration with them would not be required.

## 10. Background reading/external references

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10.1 The City of Edinburgh Council's [Energy Policy](#)

### Hugh Dunn

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## Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition Pledges</b>        | P50 - Meet greenhouse gas targets, including the national target of 42% by 2020.   |
| <b>Council Priorities</b>       | CP12 - A built environment to match our ambitions.   |
| <b>Single Outcome Agreement</b> | SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential.<br>SO4 - Edinburgh's communities are safer and have improved physical and social fabric. |
| <b>Appendices</b>               | N/A  |

# Finance & Resources Committee

10.00am, Thursday, 23 March 2017

## 21st Century Homes Small Sites Programme – Delivery Update

|                          |           |
|--------------------------|-----------|
| <b>Item number</b>       | 7.11      |
| <b>Report number</b>     |           |
| <b>Executive/routine</b> | Executive |
| <b>Wards</b>             | All       |

### Executive Summary

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The purpose of this report is to update Committee on progress with the Council's small sites affordable house building programme to redevelop seven small brownfield sites for new affordable homes.

Planning permission has been granted for three sites and applications are being considered for the remaining four. Construction work is due to start in March on two sites.

Following detailed design work, it is feasible to build an additional 17 homes (subject to planning consent), taking the number of affordable homes from 246 to 263. Additional improvements have been incorporated which will reduce tenants' cost of living and improve their quality of life through energy efficiency and increased space. The improvements will also assist in the delivery of wider Council policies.

The additional homes, improvements and Council requirements will necessitate an uplift to the project budget from £29.7m to £33.9m. An application will be submitted for Scottish Government grant funding for the additional 13 social rented homes.

### Links

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|                                 |                                |
|---------------------------------|--------------------------------|
| <b>Coalition pledges</b>        | <a href="#">P8, P9, P17</a>    |
| <b>Council priorities</b>       | <a href="#">CP4, CP9, CP10</a> |
| <b>Single Outcome Agreement</b> | <a href="#">SO4</a>            |

## 21st Century Homes Small Sites Programme – Delivery Update

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
  - 1.1.1 agrees a revised project budget of £33.9m for the small sites affordable house building programme.
  - 1.1.2 agrees to apply for Scottish Government grant funding to support the delivery of an additional 13 homes for social rent across the Hailesland and Dumbryden sites.
  - 1.1.3 to refer the report to the Health, Social Care and Housing Committee for information.

### 2. Background

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- 2.1 On [2 February 2016](#), the Finance and Resources Committee considered a report which indicated around 246 energy efficient homes would be designed and built across seven sites using the Scape framework, with an estimated three year timescale. The sites are located at: Calder Gardens, Parkgrove Terrace, Crewe Road Gardens, Dumbryden Drive, Hailesland Place, Royston Mains Avenue and West Pilton Grove.
- 2.2 The Finance and Resources Committee agreed: to place a Project Order with Willmott Dixon using the Scape framework; a project budget of £29.7m; designate the Executive Director of Place to enter into Delivery Agreements for the sites; apply for Scottish Government grant funding; and noted progress would be reported to the Health, Social Care and Housing Committee.
- 2.3 On [3 November 2016](#) the Finance and Resources Committee approved the transfer of 0.170 hectares of additional land at the former Dumbryden Primary School site to the Housing Revenue Account, providing an opportunity to develop more affordable homes on the site.

### 3. Main Report

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- 3.1 On 14 April 2016, Council raised the Scape Project Order with Willmott Dixon Construction Ltd to initiate and govern the pre-construction activities associated

with the development of the seven sites. Their assigned sub-contractor in Scotland, Robertson Partnership Homes Ltd is currently progressing these pre-construction activities.

- 3.2 Planning applications and Stage A and B Building Warrants have been submitted for all seven sites. Planning permission has been received for the developments at Calders, West Pilton Grove and Clermiston. Stage A Building Warrants have been received for the Calders and West Pilton Grove.
- 3.3 Following receipt of planning permission, the Executive Director of Place, authorised Scape Delivery Agreements in February 2017 for the construction of the first two sites: Calders (£3.96m); and West Pilton Grove (£3.20m). Construction work is programmed to commence on these sites in March 2017.
- 3.4 Subject to receipt of the appropriate statutory consents, it is intended to enter into Delivery Agreements for the remaining five sites (Parkgrove Terrace, Crewe Road Gardens, Hailesland, Royston and Dumbryden). This is before termination of the current Scape Framework in May 2017, with the aim of completing the construction works across the seven sites by the summer of 2019.
- 3.5 The Scottish Government agreed to provide a grant of £8.745m for the small sites programme to support delivery of the 165 homes for social rent. £1,082,601.97 of the grant has already been drawn down to fund the pre-construction activities for all seven sites.
- 3.6 The project budget of £29.7m for the small sites programme was based on the findings and recommendations of the feasibility studies. However, following consultation and stakeholder engagement, a number of measures have been identified that will improve quality of homes and support delivery of a range of Council objectives. These necessitate an uplift to the project budget. The requirements are listed in full at Appendix 1.
- 3.7 The detailed design process has shown that it is feasible to build an additional 17 affordable homes (13 social, four mid market) across two of the sites: two homes on the Hailesland site; and, due to extra land becoming available, 15 homes can be accommodated on the Dumbryden site. This is the most significant cost in the revised project budget.
- 3.8 Following consultations with each of the Locality Teams the size of flatted blocks has been increased to provide two bedroom four person homes instead of two bedroom three person homes. This change offers greater flexibility in terms of allocations and accessibility for tenants and is more closely aligned with demand.
- 3.9 Photo voltaic solar generated power will be fed into individual flats, rather than to communal areas, to provide a direct tangible benefit to tenants and maximise the Energy Performance Rating (EPR) of the homes.
- 3.10 Along the eastern boundary of the Crewe Road Gardens site, a strip of land will be safeguarded for a future cycleway between Crewe Road Gardens and the shared pedestrian/cycleway path on West Granton Access.



- 3.11 Committee is asked to agree a revised budget of £33.9m for the programme in order to fund the pre-construction activities, construction works, developer contributions and the development of 17 additional homes and enhancements to the design and layout of the sites. A request will be made to the Scottish Government to provide grant funding for the additional 13 social rent homes at Hailesland and Dumbryden.

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

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- 4.1 Delivery of 263 quality, energy efficient affordable homes on seven brownfield sites across the city.
- 4.2 Development of accessible homes, including 18 fully wheelchair accessible homes to meet a range of housing needs.
- 4.3 An amount of time set aside for community benefits includes the creation of new apprentice places (221 weeks), sustaining existing apprenticeships (336 weeks), as well as engaging with local schools, colleges and universities to provide work placements (270 weeks), NVQ qualifications (68 for existing workforce) and site visits (1,065).
- 4.4 Contributions to the value of £491k will be made to the Communities and Families and Transport services to assist in the delivery of wider Council policies, enhance investment in the surrounding areas and satisfy Planning requirements.

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

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- 5.1 The revised cost of the pre-construction activities and construction of 263 homes on these sites as a package, under the Scape framework is £32.7m. The Council's independent cost consultant, David Adamson and Partners (DAP), has reviewed the revised costs against market rates and concluded that they are still competitive and represent value for money for the Council.
- 5.2 The total budget requirement for the Council is £33.9m which includes the sum paid to the contractor for the pre-construction and construction activities, developer contributions and all professional fees.
- 5.3 Development of the small sites will be funded from borrowing on the HRA and available Scottish Government grant funding. It will be delivered as part of the 21<sup>st</sup> Century Homes house building programme.
- 5.4 The report outlines total capital expenditure plans of £33.9m. If this expenditure were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a 30 year period would be a principal amount of £33.9m and interest of £33.9m, resulting in a total cost of £67.8m based on a loans fund interest rate of 5.1%. The annual loan charges would be £2.2m.

- 5.5 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.

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

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- 6.1 Monthly updates are submitted to the 21<sup>st</sup> Century Homes Programme Board.
- 6.2 Under the Scape Framework there is provision to undertake reviews at key stages of the development processes to highlight what has worked well and where improvements are required. Two such reviews have been conducted for the small sites programme: one at the end of the feasibility stage; and one prior to signing the Delivery Agreements for the Calders and West Pilton Grove sites.
- 6.3 In line with 21<sup>st</sup> Century Homes development procedures a suitably qualified and experienced construction Project Manager will manage the contract on behalf of the Council. The construction works will be closely monitored by an experienced Clerk of Works and collateral warranties will be provided by the contractor and design team.
- 6.4 A risk log is maintained by the developer and is updated jointly by the client and developer to mitigate against significant risks to the project.

## **7. Equalities impact**

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- 7.1 Development of 263 affordable homes on seven sites across the city 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.

## **8. Sustainability impact**

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- 8.1 Affordable housing will be developed on seven brownfield sites which have been earmarked for development for some time. The proposed new build homes will be built to high standards in terms of energy efficiency and sustainability and therefore reduce fuel poverty.

## **9. Consultation and engagement**

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- 9.1 Stakeholders including Community Councils, Edinburgh Tenants Federation and Ward Councillors have been informed of progress on the redevelopment of the

seven small sites. They will continue to be kept informed during the construction works.

- 9.2 Specifically, communities were invited to local public drop-in events to consider and give feedback on the proposals for each site, as detailed designs were developed, prior to submission of planning applications.

## 10. Background reading/external references

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- 10.1 [21st Century Homes Small Sites Programme Delivery, report to Finance and Resources Committee, 2 February 2016](#)

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## 11. Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition pledges</b>        | <p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p> <p>P9 – Work in partnership with Scottish Government to release more funds for Council homes for rent.</p> <p>P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.</p> |
| <b>Council priorities</b>       | <p>CP4 - Safe and empowered communities</p> <p>CP9 - An attractive city</p> <p>CP10 - A range of quality housing options</p>   |
| <b>Single Outcome Agreement</b> | <p>SO4 – Edinburgh’s communities are safer and have improved physical and social fabric</p>  |
| <b>Appendices</b>               | <p>Appendix 1 – List of Improvements</p>   |

## Appendix 1 – List of Improvements

- Increase the number of affordable homes at Hailesland (two) and Dumbryden (15)
- Increase the development footprint of flatted developments to accommodate e.g. three bedroom/four person homes instead of two bedroom/three person homes
- Provision of community garden infrastructure to compensate for loss of open space (Crewe Road Gardens) and provide habitat for protected wildlife
- Additional measures to mitigate unsuitable ground conditions and contamination
- Additional landscaping requirements
- Additional surveys required to permit statutory consent
- Contribution to Children and Families actions/improvements
- Contribution to Transport Services infrastructure improvements/requirements
- Installation of eco-friendly car charging points as requested by Planning
- Feeding the photo voltaic solar generated power into each individual flat, rather than into communal areas, to maximise the Energy Performance Rating (EPR) of each flat
- Fire suppressant system to internal bin stores
- Fitting out mid market rented homes with carpets, curtains, blinds, and white goods
- Future proofing the developments for the installation of digital fibre to the premises (FTTP) infrastructure
- Allow for essential utility diversions and upgrading.

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Strategy - Accelerating Housing Delivery and Brownfield Regeneration

|                   |           |
|-------------------|-----------|
| Item number       | 7.12      |
| Report number     |           |
| Executive/routine | Executive |
| Wards             | All       |

### Executive Summary

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This report seeks Committee approval to accelerate the delivery of around 1,500 new homes through the development of 14 brown-field sites in Council ownership.

The inclusion of these sites in the housing and regeneration programme will allow the Council to accelerate the delivery of key objectives including affordable and low cost market housing, the development of brown-field sites, sustainable energy, green space, community facilities and planning policy.

The report recommends transferring these sites to the Housing Revenue Account (HRA) for a value of £23.24m. The HRA will transfer a combination of cash, through debt transfer, and transferring commercial income generating assets to the General Fund (GF) in return.

### Links

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|                          |                                      |
|--------------------------|--------------------------------------|
| Coalition Pledges        | <a href="#">P8, P9, P17, P28</a>     |
| Council Priorities       | <a href="#">CP2, CP4, CP10, CP12</a> |
| Single Outcome Agreement | <a href="#">SO1, SO2, SO4</a>        |

## Strategy - Accelerating Housing Delivery and Brownfield Regeneration

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee agrees that 14 brown-field sites are transferred to the Housing Revenue Account (HRA) at a value of £23.24m which will be paid for by a transfer of assets and debt.

### 2. Background

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- 2.1 On [27 January 2016](#), Council agreed a plan to accelerate the Council led house building programme from around 3,000 homes to 8,000 homes over ten years. A subsequent commitment from the city's leading housing associations to match the Council's commitment expanded this programme to nearly 16,000 homes over the same period.
- 2.2 High and increasing housing costs coupled with falling incomes are undermining the ability of low and middle income households to benefit from economic growth in the city. Average rents in the private market are now over £1,000 a month. According to CACI figures, the incomes of those in the lowest income groups have fallen by up to 30% in real terms since 2008.

### 3. Main report

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- 3.1 Despite an acute shortage of affordable housing in the city the development of brown-field sites has not, in the past, kept pace with meeting the demand for new homes. Increasingly the Council and its housing association partners are accelerating the development of brown-field sites through acquisition, transfer and partnerships with house-builders.
- 3.2 Around 4,000 affordable and low cost homes are under construction in the city. However, with up to 4,600, mostly affordable and low cost, new homes needed each year much more needs to be done to deliver more homes and make the best possible use of land and assets in the city to ensure the quality of the urban environment is enhanced.
- 3.3 The Council controls 14 sites that are no longer required for their existing operational purpose but would assist in delivering the Council's housing and brown-field regeneration strategies. The sites are set out in Appendix 1 and are valued at £23.24m. Development of these sites could be delivered over the next five years if

they were included in the pipeline for the house-building programme. It also unlocks further Scottish Government investment and support for Edinburgh's housing strategy

- 3.4 The transfer will take place in two tranches. The transfer of the second tranche of six sites will only take place once the sites become surplus and their operational use is at an end but, approval of the transfer proposal, will allow consultants to be appointed to commence housing design works in order to enable redevelopment to commence as soon as possible after the sites are vacated.
- 3.5 It is proposed to transfer non housing assets currently held on the HRA to the General Fund (GF). These assets are mainly shops and land valued at £10.615m. The rental income from these properties is approximately £725,000 per annum. A further £12.625m in cash will be transferred from the HRA to the general fund to bring the total asset and cash value to £23.24m to equate to the value of the site being transferred.
- 3.6 The assets transferring from the HRA are shown in Appendix 2. There is no operational or strategic reason why the properties should continue to be held on the HRA and aligning them with the existing GF commercial rental portfolio is considered a more logical organisational fit and is in line with the approved Asset Management Investment Strategy that promotes the acquisition of revenue producing assets.

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

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- 4.1 Accelerated development of brown-field sites and delivery of the Council's housing strategy.
- 4.2 Support for the local economy through creating opportunities for local businesses and supporting jobs in construction and housing related services.
- 4.3 Financial certainty for the GF capital programme with potential to generate long term returns through management of non housing assets.

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

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- 5.1 Transfer of the GF sites to the HRA will result in a resource transfer of £12.625m to the GF which will be carried out by way of a debt transfer. The GF will also benefit from a transfer of revenue generating non-Housing assets to the value of £10.615m, which forms part of the Asset Management Strategy budget savings profile.
- 5.2 The site values are based on Property and Facilities Management's assessment of capital receipts that could be achieved if land was sold on the open market with no extraordinary costs associated with developing the sites. However, in order to mitigate the risk to the GF and HRA these values will be independently verified. In addition, due to the subsequent identification of poor ground conditions

necessitating extensive remediation works, values may be adjusted based on site investigations resulting in additional cost of ground stabilisation and decontamination works.

- 5.3 Funding is available within the HRA for site acquisitions. Scottish Government grant funding is available to support the development of new affordable homes. The costs of developing new build homes will be contained within the approved HRA budget. Committee approvals will be sought for housing development proposals and award of contracts to house-builders.

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

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- 6.1 Subject to the approval of Committee to proceed with the transfer of sites, further consideration will be given to risk, policy and compliance matters for individual sites as development progresses and business cases are developed for development of housing.

## **7. Equalities Impact**

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- 7.1 A range of positive impacts has been identified against the areas of rights and protected characteristics. These include:
- 7.1.1 More accessible homes that are suitable for people who have mobility difficulties;
  - 7.1.2 More affordable homes to enable people to have a good standard of living;
  - 7.1.3 More people able to access housing which enhances rights in relation to privacy and family life; and
  - 7.1.4 Community benefits secured through housing contracts can enhance rights to education and learning through development of links with schools.

## **8. Sustainability impact**

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- 8.1 New homes will be built to Silver standard. This is an improved/higher level of sustainability than currently required under the current building regulations. A renewable energy strategy including potential for district heating will be explored as part of the development appraisal for each site.

## **9. Consultation and engagement**

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- 9.1 Consultation has taken place with Council tenants regarding their priorities for HRA investment. Development of new build affordable housing has been identified by tenants as a high priority. Consultation will take place with local communities as housing proposals are developed for sites.



## 10. Background reading/external references

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### 10.1 [HRA Budget Strategy, Report to The City of Edinburgh Council, 21 January 2016](#)

#### **Paul Lawrence**

Executive Director of Place

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#### **Hugh Dunn**

Acting Executive Director of Resources

## Links

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### **Coalition Pledges**

P8 Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites

P9 Work in partnership with Scottish Government to release more funds for Council homes to rent

P17 Continue efforts to develop the city's gap sites and encourage regeneration

P28 Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city

### **Council Priorities**

CP2 Improved health and wellbeing: reduced inequalities

CP4 Safe and empowered communities

CP10 A range of quality housing options

CP12 A built environment to match our ambition

### **Single Outcome Agreement**

SO1 Edinburgh's economy delivers increased investment, jobs and opportunities for all

SO2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

SO4 Edinburgh's communities are safer and have improved physical and social fabric

### **Appendices**

Appendix 1 –List of proposed sites for transfer to HRA

Appendix 2 – List of proposed sites for transfer to GF

Appendix 3 –Map of proposed sites for transfer

Appendix 1 – List of proposed sites for transfer from GF to HRA

| <b>PHASE 1</b> |                                   |           |                         |
|----------------|-----------------------------------|-----------|-------------------------|
|                | Site                              | Site Area | Projected housing units |
| 1              | Bingham Avenue                    |           | 36                      |
| 2              | Silverlea                         |           | 137                     |
| 3              | Peffer Place<br>(blindcraft site) |           | 148                     |
| 4              | Gate 55 site                      |           | 35                      |
| 5              | West Shore Road<br>Granton        |           | 350                     |
| 6              | Gilmerton Dykes<br>Street         |           | 20                      |
| 7              | West Granton<br>Road              |           | 39                      |
| 8*             | Muirhouse<br>Shopping Centre      |           | 160                     |
| Sub Total      |                                   |           |                         |
| <b>PHASE 2</b> |                                   |           |                         |
| 9              | Parkview                          |           | 39                      |
| 10             | Balgreen Road<br>(Pansy Road)     |           | 20                      |
| 11             | Cowan's Close                     |           | 42                      |
| 12             | Clovenstone                       |           | 128                     |
| 13             | Powderhall                        |           | 263                     |
| 14             | Leith Walk Tram<br>Depot          |           | 76                      |
| Sub Total      |                                   |           |                         |
| <b>TOTAL</b>   |                                   |           | <b>1493</b>             |

\* The transfer of this site was approved by Council on 27 October 2016 with the corresponding debt transfer to be considered as part of this overall land transfer package.

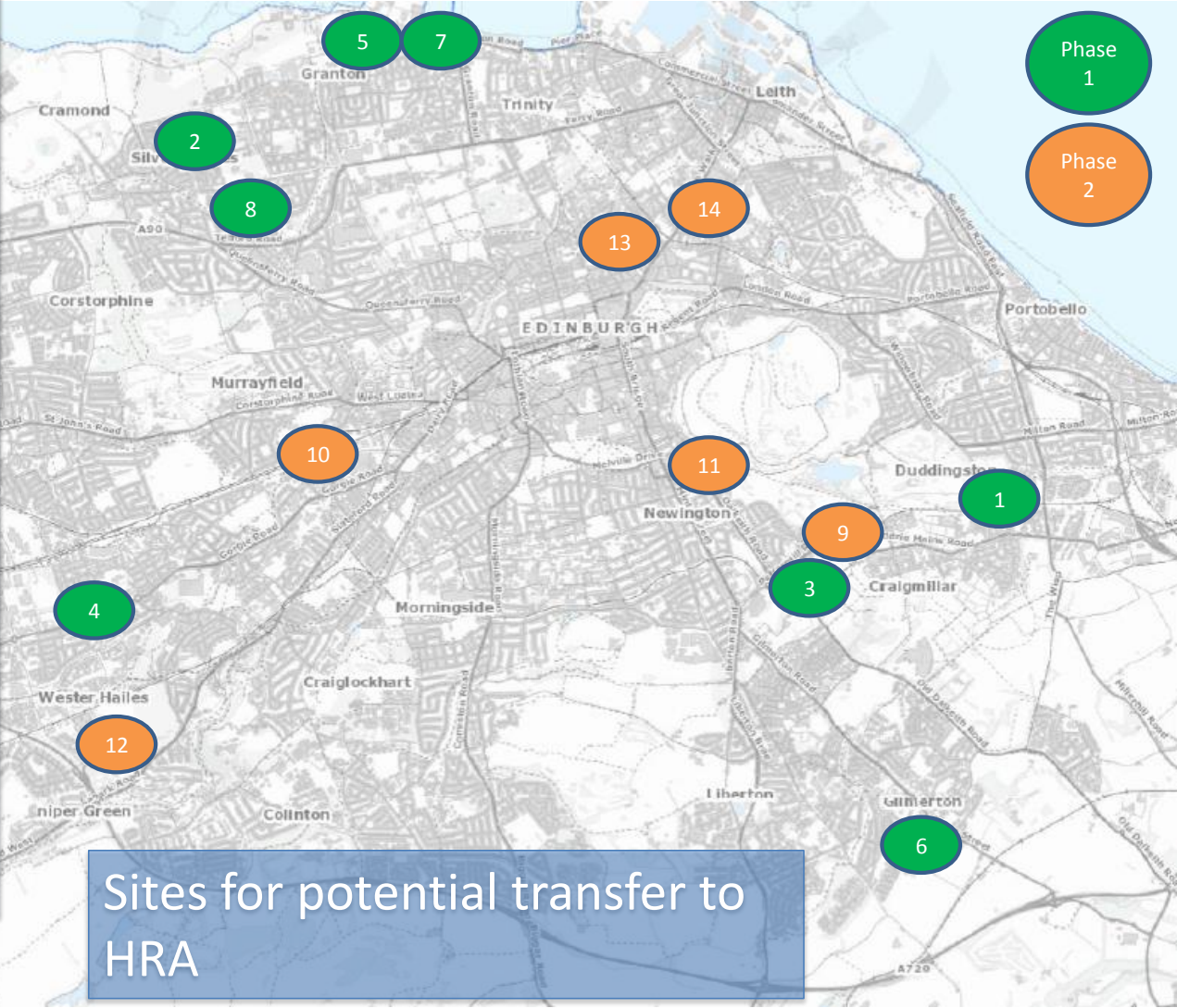
Appendix 2 - List of proposed sites for transfer to General Fund

| <b>Property Description</b>                      | <b>Address</b>                  |
|--|---------------------------------|
| Shop   | 56 Blackfriar's Street          |
| Shop   | 52 Blackfriar's Street          |
| Site of Scout Hall                               | 81 Boswall Parkway              |
| Ground Lease                                     | 12-16 Broomhouse Road           |
| Shop   | 56a Candlemaker Row             |
| Gallery and Workshop                             | 43 Candlemaker Row              |
| Shop   | 244 Canongate                   |
| Restaurant                                       | 69 Canongate                    |
| Public House                                     | 67 Canongate                    |
| Shop   | 23-25 Canongate                 |
| Shop   | 307 -309 Cowgate                |
| Shop   | 319 Cowgate                     |
| Shop   | 301 & 303 Cowgate               |
| Shop   | 30 High Street                  |
| Shop   | 18-20 High Street               |
| Shop   | 16 High Street                  |
| Shop   | 7 Hutchison Place               |
| Children's Nursery                               | 1 Lyons Close (215 High Street) |
| Social Club                                      | 25-33 Moredun Park Loan         |
| Supermarket site                                 | 49 North Fort Street            |
| Shop   | 65 Pleasance                    |
| Shop   | 119 Portobello High Street      |
| Shop   | 103 Portobello High Street      |
| Shop, Office & Meeting Place                     | 53 Prince Regent Street         |
| Café,  | 77 Shore                        |
| Kiosk  | 11 Westside Plaza               |
| Shop   | 313 Cowgate                     |
| Shop   | 371 (GF) Cowgate                |
| Shop   | 15 Grassmarket                  |
| Shop   | 19 Grassmarket                  |
| Dental Surgery, three apartment,<br>ground floor | 1/2 Hailesland Gardens          |
| Shop   | 9 Laverockbank Avenue           |
| Office, Shop & Meeting room                      | 207 Pleasance                   |
| Shop   | 115 Portobello High Street      |
| Clubroom   | (112) Sleigh Drive              |
| Store  | 2A Tarvit Street                |
| Shop   | 102 West Bow                    |
| Shop   | 29 Canongate                    |
| Shop   | 204 Canongate                   |
| Shop   | 97 Canongate                    |
| Shop,  | 101 Canongate                   |
| Shop   | 311 Cowgate                     |

|  |                         |
|--|-------------------------|
| Store No. 1 / Cellar                         | 18(01) Cramond Village  |
| Ground (0.156ha)                             | 107-109 Dundee Street   |
| Ground (0.34ha)                              | 75 Harvesters Way       |
| Shop   | 328 Lawnmarket          |
| Shop   | 60 Niddrie House Park   |
| ATM site                                     | 47 Pennywell Road       |
| Shop   | 98 West Bow             |
| Shop   | 52 West Richmond Street |
| Café   | 12 Westside Plaza       |
| Office                                       | 54 Blackfriar's Street  |
| Ground (.018ha)                              | 64(02) Longstone Road   |
| Social Club (Basement, Ground & First Floor) | 192 Pleasance           |
| Ground -22 acres                             | 3 Sunnybank             |
| Ex Janitor House                             | 5 Lorne Street          |

### Appendix 3—Map of proposed sites for transfer

1. Bingham Avenue
2. Silverlea Care Home, Muirhouse Parkway
3. Former Blindcraft & Council Depot, Peffer Place
4. Car Park at Gate 55 site, Sighthill Road
5. West Shore Road, Granton
6. Gilmerton Dykes Street
7. West Granton Road
8. Muirhouse Shopping Centre
9. Parkview Care Home, Peffermill Road
10. Site Yard, Balgreen Road (Pansy Road)
11. Transport Depot, Cowan's Close
12. Clovenstone Care Home, Clovenstone Gardens
13. Powderhall Waste Depot, Broughton Road
14. Former Tram Depot, Leith Walk



Sites for potential transfer to HRA

# Finance and Resources Committee

10.00am, Thursday 23 March 2017

## Hunter's Hall Project - referral from the Culture and Sport Committee

|                      |      |
|----------------------|------|
| <b>Item number</b>   | 7.13 |
| <b>Report number</b> |      |
| <b>Wards</b>         | All  |

### Executive summary

---

The Culture and Sport Committee on 20 March 2017 considered the attached report by the Acting Executive Director of Communities and Families providing an update on progress with the Hunter's Hall Project and work being undertaken to address the funding gap of £1.7m.

The report has been referred to the Finance and Resources Committee for approval of the cost of progression of the project to RIBA Stage 4 (Technical Design) at a cost of up to £268,000.

### Links

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|                                 |                     |
|---------------------------------|---------------------|
| <b>Coalition pledges</b>        | See attached report |
| <b>Council priorities</b>       | See attached report |
| <b>Single Outcome Agreement</b> | See attached report |

# Terms of Referral

## Hunter's Hall Project

### Terms of referral

---

The Culture and Sport Committee had previously noted the progress made on the Hunter's Hall Project to develop a cycling hub, synthetic pitches and to upgrade the Jack Kane Sports and Community Education Centre.

An update was provided on the outcome of funding options which had been explored to address the funding gap of £1.7m.

The Culture and Sport Committee agreed:

- 1) To note the progress made on the project since 31 May 2016.
- 2) To note that the scope of the project had been reduced in line with available resources, and that the proposed BMX track might now form a later phase of the project.
- 3) To note the cost of the progression of the project to RIBA Stage 4 (Technical Design).
- 4) To refer the report to the Finance and Resources Committee for approval of the cost of the progression of the project to RIBA Stage 4 (Technical Design); at a cost of up to £268,000.
- 5) To approve that Edinburgh Leisure take over the lead role in the project and to request that Council officials work with them to prepare business plans for the new and upgraded facilities.
- 6) To note that Edinburgh Leisure would work with Council officials to develop a funding solution to support the upgrading of the Jack Kane Centre.
- 7) To note that further details of the project governance structure and the procurement proposals would be reported to a future meeting of this Committee and that this report would also detail the approach to further consultation and engagement with stakeholders and community organisations.
- 8) To refer the report to the Corporate Policy and Strategy Committee for noting.

### For Decision/Action

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- 2.1 The Finance and Resources Committee is asked to approve the cost of the progression of the project to RIBA Stage 4 (Technical Design) at a cost of up to £268,000.

## Background reading / external references

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[Minute of Culture and Sport Committee 31 May 2016](#)

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## Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition pledges</b>        | See attached report   |
| <b>Council priorities</b>       | See attached report   |
| <b>Single Outcome Agreement</b> | See attached report   |
| <b>Appendix 1</b>               | Report by the Acting Executive Director of Communities and Families |



# Culture and Sport Committee

2.00pm, Monday, 20 March 2017

## Hunter's Hall Project

|               |   |
|---------------|---|
| Item number   | 8.2   |
| Report number |   |
| Executive     |   |
| Wards         | All, and Portobello/Craigmillar in particular |

### Executive summary

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Following the previous report to the Culture and Sport Committee in [May 2016](#), work has continued on the fundraising and value-engineering for this project. An application to the Scottish Government Regeneration Capital Grant Fund was unsuccessful, which has limited remaining options for resolving the project funding gap. Edinburgh Leisure have offered to take over the lead role in the project and agreed in principle to develop a funding solution specifically for the upgrading of the Jack Kane Sports Centre. It is proposed that the BMX facility could be built as part of a later phase of the project, as and when further funding becomes available. Approval is sought to allow this project to be taken to the next stage, with Edinburgh Leisure taking the lead role.

### Links

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|                          |                                |
|--------------------------|--------------------------------|
| Coalition pledges        | <a href="#">P42, P45</a>       |
| Council priorities       | <a href="#">CP2, CP6, CP12</a> |
| Single Outcome Agreement | <a href="#">SO2, SO3, SO4</a>  |

## Hunter's Hall Project

### 1. Recommendations

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- 1.1 It is recommended that the Culture and Sport Committee:
  - 1.1.1 notes the progress made on this project since 31 May 2016;
  - 1.1.2 notes that the scope of the project has been reduced in line with available resources, and that the proposed BMX track may now form a later phase of the project;
  - 1.1.3 notes the cost of the progression of the project to RIBA Stage 4 (Technical Design);
  - 1.1.4 refers this report to the Finance and Resources Committee for approval of the cost of the progression of the project to RIBA Stage 4 (Technical Design); at a cost of up to £268,000;
  - 1.1.5 approves that Edinburgh Leisure take over the lead role in the project, and to request that Council officials work with them to prepare business plans for the new and upgraded facilities;
  - 1.1.6 notes that Edinburgh Leisure will work with Council officials to develop a funding solution to support the upgrading of the Jack Kane Centre;
  - 1.1.7 notes that further details of the project governance structure and the procurement proposals would be reported to a future meeting of this Committee; and
  - 1.1.8 refers this report to the Corporate Policy and Strategy Committee for noting.

### 2. Background

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- 2.1 At its meeting on [31 May 2016](#) Committee noted the progress made on the Hunter's Hall project, and that efforts were continuing to address the funding gap of £1.7m.
- 2.2 Since then other funding options, including 61 potential external funders, have been considered. The project met the criteria for only two of these: the Scottish Government Regeneration Capital Grant Fund; and the **sportscotland** Sports Facilities Fund (to which an application had already been made).

- 2.3 Consequently an application was made to the Scottish Government Regeneration Capital Grant Fund for financial support for this project.
- 2.4 The fund employs a two-stage application process. The deadline for Stage One applications was 20 June 2016, and an application was submitted timeously. Council officials were informed on 29 September 2016 that the application had been unsuccessful and would not be taken forward to the second stage of the process. This meant that other measures to address the funding gap would have to be considered.

### 3. Main report

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- 3.1 The project consists of three separate principal elements: the cycling facilities; the synthetic pitches; and the works to the Jack Kane Centre. There are also associated external works which include new paths, parking, landscaping and improved road access at the building entrance.
- 3.2 Each of these elements effectively has its own dedicated funding: cycling facilities - £1.215m capital allocation plus **sportscotland** award (tbc); synthetic pitches - £0.8m Section 75 funding; Jack Kane Centre - £0.2m capital allocation plus **sportscotland** award (tbc).
- 3.3 The bulk of the funding gap, based on current cost estimates, lies with the Jack Kane Centre improvements. This element has the least allocation and is also the most costly. Prudential borrowing could potentially meet some but not all of this gap.
- 3.4 In acknowledgement of this and considering the importance of the potential improvements to the viability of the Jack Kane Sports Centre, Edinburgh Leisure have offered to help fund this element of the project, through the postponement of planned lifecycle investments elsewhere in their estate, and potentially through prudential borrowing. In light of this, they have also offered to lead on the other elements of the project delivery, subject to appropriate governance arrangements being put in place to the satisfaction of both parties. This would mean that the overall responsibility for the project would lie with Edinburgh Leisure. Corporate Property officials are comfortable with this arrangement, as it has worked successfully in the past, e.g. on the project to replace the roof at EICA, Ratho.
- 3.5 A robust governance structure will be devised to ensure proper oversight of the project by the relevant Council officials. This will include Council representation on the Project Board and the Project Steering Group. A decision on whether Edinburgh Leisure would be responsible for the procurement will be made following an appraisal of the various procurement options, and considering the alternative routes to market that are now available, including framework agreements. Further details of the project governance structure and the procurement proposals will be brought back to this Committee, and to the Edinburgh Leisure Board.

- 3.6 Based on current cost estimates, even with Edinburgh Leisure’s proposed contribution to the project, there are still insufficient resources to deliver all the previously-considered elements of the cycling hub. Therefore, a two-phase approach is suggested: this would see the velodrome and cycle speedway track completed in phase one, with the BMX facility to be added as and when additional resources become available, e.g. from a future Council capital allocation. This proposal has been agreed by the key project partners, including Scottish Cycling, and **sportscotland**, who have indicated that they would consider a future grant application for the BMX track.
- 3.7 **sportscotland** have intimated that, due to their anticipated budget pressures in 2017/18, and taking into account the exclusion of the BMX track from this first phase of the project, it is unlikely that the maximum funding of £500k would be available at this stage. Consequently, a lower figure of £400k has been used for the revised funding package figures below. The exact amount of any award from **sportscotland** will only be known following the submission of the revised Stage 2 funding application, which will now be submitted by Edinburgh Leisure, with support from Council officials.
- 3.8 A revised scope of works to the Jack Kane Centre would be assembled by Edinburgh Leisure in collaboration with Council officials and the new Project Consultants, taking into account the funding available. The funding requirement would require to be recalculated on a revised business case, commensurate with the reduced scope of works. The funding breakdown, based on current estimates, is shown below. Further work will be required by cost consultants to arrive at more precise figures, due to the complex interdependence between the scope of works and any projected increase in revenue, which will inform the funding solution for the project.

| ELEMENT                                      | COST              | FUNDING   |
|--|-------------------|---|
| Synthetic 3G Pitches                         | £ 799,757         | Section 75 £ 800,000  |
| Velodrome                                    | £1,203,268        | Capital balance £1,053,365                                  |
| Cycle Speedway Track                         | £ 50,000          | <b>sportscotland</b> £ 400,000<br>tbc                       |
| Jack Kane Sports Centre and Community Centre | £1,900,000        | Asset management £ 200,000                                  |
| External Works (parking, landscaping, etc.)  | £ 628,736         | Funding requirement (based on current estimates) £2,128,396 |
| <b>TOTAL</b>                                 | <b>£4,581,761</b> | <b>£4,581,761</b>   |

- 3.9 The construction period for the project is estimated to run from October 2017 to May 2018. It is hoped that both the Sports Centre and Community Education Centre would be able to restrict any required closures to a minimum and every effort will be made to minimise any period of overlap with the potential closure of Meadowbank Sports Centre. This will be confirmed following the appointment of the lead Contractor.
- 3.10 A Planning Application was submitted by the Project Architect on 22 June 2016. The decision has been delayed pending the results of further surveys which have been requested by Planning, and which will be commissioned at the start of the next phase of the project, following approval by this Committee.
- 3.11 A new Stage 2 funding application will require to be submitted to **sportscotland** by Edinburgh Leisure, in recognition of their taking the lead role in the project. This has already been discussed with **sportscotland**, and is perceived as unproblematic, as Edinburgh Leisure fulfil all the required criteria for applicants, and an application would be treated in exactly the same way as one from the Council.

#### 4. Measures of success

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- 4.1 Development of new cycling facilities in Hunter's Hall Park, together with new synthetic 3G pitches and an improved Jack Kane Sports Centre, including upgrading of the mechanical and electrical systems in the Community Education Centre.

#### 5. Financial impact

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- 5.1 The funding breakdown for the project is given below, based on current estimates. This is predicated on two assumptions: firstly, that **sportscotland** awards £400k to the project; and secondly, that Edinburgh Leisure can develop a funding solution for the improvement works to the Jack Kane Centre.

|  |                  |
|--|------------------|
| Capital balance for cycling hub          | £1,053,365       |
| Section 75 funding for 3G pitches        | £ 800,000        |
| EL contribution                          | £2,128,396 (tbc) |
| <b>sportscotland</b> grant for phase one | £ 400,000        |
| Asset Management Works Capital           | £ 200,000        |
| Total funding available                  | £4,581,761       |
| Estimated project costs                  | £4,581,761       |

- 5.2 The financial years in which spend is anticipated are 2017/18 and 2018/19.
- 5.3 The report outlines proposed net capital expenditure plans of a maximum of £0.268m in financial year 2017/18 to progress the project to RIBA Stage 4. If

this expenditure were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a 20 year period would be a principal amount of £0.268m and interest of £0.172m, resulting in a total cost of £0.440m based on a loans fund interest rate of 5.1%. The annual loan charges would be £0.022m.

- 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 As the net capital expenditure outlined in this report forms part of the approved capital investment programme, provision for funding it will be met from the revenue loan charges budget earmarked to meet overall capital investment programme borrowing costs.
- 5.6 The risk exists that should full funding not be achieved, or if costs are greater than expected, further elements of the project will have to be scaled back. Following the Code of Practice on Local Authority Accounting, all the consultants' costs incurred in developing these elements to the feasibility stage funded from capital, would subsequently have to be transferred to the Communities and Families revenue account as abortive costs. The maximum cost at risk of transfer is £0.430m, but it should be noted that, should the project require to be scaled back then only the corresponding proportion of this expenditure would require to be funded from revenue.

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

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- 6.1 The development of a cycling hub is a priority action within the key element of the Physical Activity and Sport Strategy. This Strategy notes that: "With cycling being relatively inexpensive and walking being free, development work in both cycling and walking are cost effective and will make a significant contribution to the outcomes of this Strategy." (From the Active Living section of the Strategy.)
- 6.2 The important regional role that would be played by a cycling hub in Hunter's Hall Park is also recognised in Scottish Cycling's Facilities Strategy.
- 6.3 Risk during the capital works will be managed using best practice advice from the Corporate Programmes Office. The Cycling team in the Transport Service is considering how to improve cycling routes to and from Hunter's Hall Park.
- 6.4 As outlined above, the risk exists that should full funding not be achieved, and/or costs come back greater than current estimates, further elements of the project

would have to be scaled back, with any abortive costs previously funded from capital being transferred to the Communities and Families revenue account.

- 6.5 There are no compliance or governance impacts arising from this report.

## **7. Equalities impact**

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- 7.1 The cycling facilities proposed for Hunter's Hall Park would be accessible to local children and young people at low cost, and complemented by coaching and targeted activity programmes, promoting equal opportunities and good community relations. These benefits are in line with the public sector duties of the Equality Act 2010. In addition, the proposed cycling hub would make a positive contribution to two human rights: the rights to education and learning; and productive and valued activities.

## **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 cycling hub would encourage more residents to cycle more frequently, improving their health and contributing to good environmental outcomes for the city. Other benefits include better leisure and sport facilities for local and city residents; and community capacity building.

## **9. Consultation and engagement**

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- 9.1 An initial period of stakeholder and community engagement contributed to the final mix and layout of the new facilities. The views expressed by local residents and people across the city during the more recent consultation have been analysed and fully taken into account in the recommendations made above.

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

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- 10.1 Minute of Council meeting of [7 February 2013](#).
- 10.2 Report to Culture and Sport Committee on [28 May 2013](#).
- 10.3 Report to Culture and Sport Committee on [11 March 2014](#).
- 10.4 Report to Culture and Sport Committee on [27 May 2014](#) and article in Business Bulletin of Culture and Sport Committee of [21 October 2014](#).
- 10.5 Report to Culture and Sport Committee on [16 December 2014](#).
- 10.6 Report to Culture and Sport Committee on [31 May 2016](#).

## Alistair Gaw

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## 11. Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition pledges</b>        | <b>P42</b> - Continue to support and invest in our sporting infrastructure.<br><b>P45</b> - Spend 10% of the transport budget on provision for cyclists.   |
| <b>Council priorities</b>       | <b>CP2</b> – Improved health and wellbeing: reduced inequalities.<br><b>CP6</b> – A creative, cultural capital.<br><b>CP12</b> – A built environment to match our ambition.  |
| <b>Single Outcome Agreement</b> | <b>SO2</b> - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.<br><b>SO3</b> - Edinburgh's children and young people enjoy their childhood and fulfil their potential.<br><b>SO4</b> - Edinburgh's communities are safer and have improved physical and social fabric. |
| <b>Appendices</b>               | None   |



# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Waverley Court – Proposed Licence to CGI

|                   |                  |
|-------------------|------------------|
| Item number       | 7.14             |
| Report number     |                  |
| Executive/routine |                  |
| Wards             | 11 – City Centre |

### Executive Summary

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Waverley Court, the Council's corporate headquarters, is wholly owned and there are no other legal interests affecting the property.

The Transformation Programme has provided spare capacity within the building and discussions have taken place with partner organisations who may be interested in occupying space on commercial terms.

This report seeks approval to the grant of a new licence agreement to CGI IT UK Ltd on the terms and conditions as outlined in the report.

### Links

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|                          |                     |
|--------------------------|---------------------|
| Coalition Pledges        | <a href="#">P15</a> |
| Council Priorities       | <a href="#">CP5</a> |
| Single Outcome Agreement | <a href="#">SO1</a> |

## Waverley Court – Proposed Licence to CGI

### 1. Recommendations

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That Committee:

- 1.1 Approves a new licence agreement to CGI IT UK Ltd of part of the top floor of Waverley Court, 4 East Market Street, Edinburgh, 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

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- 2.1 Waverley Court is the Council's corporate HQ, a landmark building providing approximately 16,700 sq m (180,000 sq ft) of Grade A office accommodation over five floors with underground car parking. The property is shown outlined in red on the attached plan.
- 2.2 Completed in 2007, Waverley Court was originally occupied by the Council under a lease, however, the Council acquired the heritable interest of the building in 2008.
- 2.3 As part of the Asset Management Strategy (AMS) approved by the Finance and Resources Committee on 24 September 2015 engagement has taken place with partners regarding shared use of Waverley Court.
- 2.4 CGI IT UK Ltd (CGI) wish to occupy part of the top floor of Waverley Court. Part of this is to facilitate the current ICT contract awarded by the Council to CGI. However, part of the space will also accommodate CGI's main Edinburgh office, with staff relocating from Edinburgh Park.

### 3. Main report

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- 3.1 Waverley Court has a total annual occupational cost of approximately £3m. This consists of £1.5m for the annual running cost of the building with the remaining £1.5m being the non domestic rating liability.
- 3.2 In order to reduce the Council's financial outlay for their occupation of Waverley Court, negotiations have taken place between Council officers and CGI. The following terms for a licence agreement have provisionally been agreed:
  - Subjects: 175 workstations on third floor of Waverley Court;
  - Term: To 31 March 2023;

- Rent: £3,350 per workstation per annum. £586,250 in year one;
- Rent Review: The £3,350 per annum per workstation is split into two parts. The rent element will remain fixed through the term, however, the cost element can be reviewed on an annual basis to reflect increase in running costs of Waverley Court;
- Breaks: Rolling break option available to both Council and CGI to allow flexibility to reconfigure the space;
- Use: Office; and
- Costs: Both parties to meet their own costs.

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

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- 4.1 Having our ICT partners based at Waverley Court could lead to operational efficiencies.
- 4.2 Sharing office space within the Council estate with partners is a key element of the AMS. This reduces the operating cost of Waverley Court to the Council.

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

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- 5.1 Annual income of £586,250 against Waverley Court occupational costs, in the first year of the licence. The agreement allows for an annual increase to reflect rising occupational costs.
- 5.2 The income is part of the Asset Management Strategy business plan approved by Finance and Resources on 24 September 2015.

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

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- 6.1 This is a short term license agreement to our ICT partner and it is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

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

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- 7.1 An Equalities and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through this new agreement, it will strengthen the partnership working between the Council and CGI. It is also considered that the agreement will improve the ICT service provided to Council employees. This directly links to the enhancement of Productive and Valued Activities.

7.3 A possible infringement has been identified in that by offering a space within Waverley Court to another organisation will lead to displacement of Council staff. However, given that a full restack of Waverley Court is forthcoming and many staff will be moved around the building, the impact is considered to be proportionate and justifiable.

## 8. Sustainability impact

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8.1 There are no sustainability issues rising from this report.

## 9. Consultation and engagement

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9.1 N/A.

## 10. Background reading/external references

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10.1 N/A.

### Hugh Dunn

Acting Executive Director of Resources

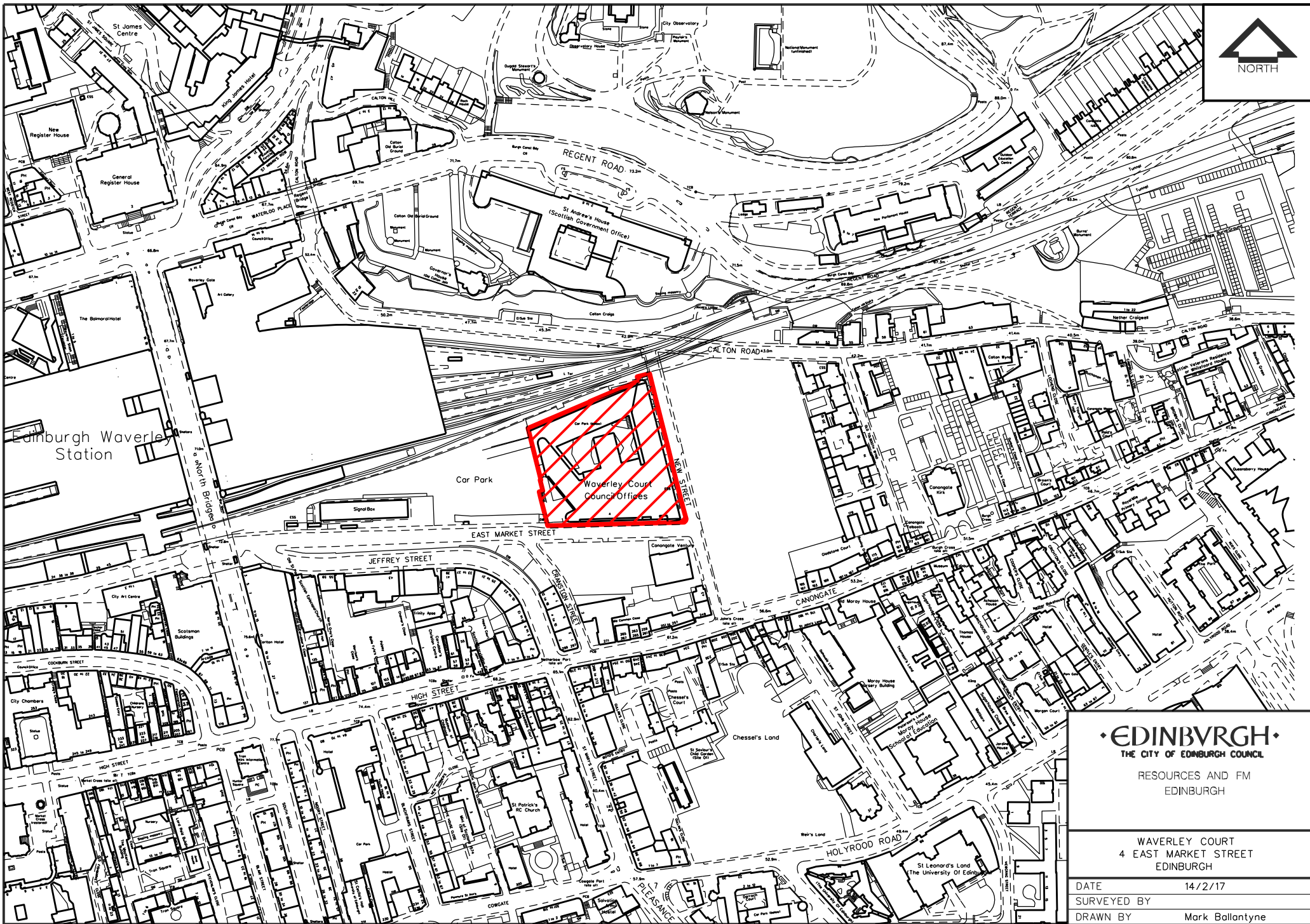
Contact: Mark Bulloch, Portfolio Manager - Investments

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

## 11. Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition Pledges</b>        | P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. |
| <b>Council Priorities</b>       | CP5 – Business growth and investment.   |
| <b>Single Outcome Agreement</b> | SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all.                          |
| <b>Appendices</b>               | Appendix 1 – Location Plan.   |



SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

|   |                 |
|---|-----------------|
| <b>• EDINBURGH •</b><br>THE CITY OF EDINBURGH COUNCIL |                 |
| RESOURCES AND FM<br>EDINBURGH                         |                 |
| WAVERLEY COURT<br>4 EAST MARKET STREET<br>EDINBURGH   |                 |
| DATE  | 14/2/17         |
| SURVEYED BY   |                 |
| DRAWN BY  | Mark Ballantyne |
| SCALE   | N.T.S.          |
| NEG. NO.  | A3/1747         |

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# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Procurement of Vehicle Telematics System

|                          |           |
|--------------------------|-----------|
| <b>Item number</b>       | 7.15      |
| <b>Report number</b>     |           |
| <b>Executive/routine</b> | Executive |
| <b>Wards</b>             | All       |

### Executive Summary

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This report seeks the approval to install a telematics system in all council vehicles with a view to reducing the fuel used (hence reducing our carbon footprint), increasing vehicle utilisation, and improving operational efficiency.

This will be introduced in stages with focus given to different aspects of fleet operation in turn, to ensure that implementation of the system is a success. Engagement will take place with managers and the Trade Unions at each stage of project implementation.

### Links

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|                                 |                      |
|---------------------------------|----------------------|
| <b>Coalition Pledges</b>        | <a href="#">P50</a>  |
| <b>Council Priorities</b>       | <a href="#">CP08</a> |
| <b>Single Outcome Agreement</b> | <a href="#">SO2</a>  |

## Procurement of Vehicle Telematics System

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
  - 1.1.1 notes the benefits of implementing a telematics system; and
  - 1.1.2 approves expenditure as outlined in paragraphs 5.1 to 5.6 on the basis that savings will be achieved once the system is fully operational.

### 2. Background

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- 2.1 The Council has a large fleet of vehicles that operates across the city. Management of these vehicles is done locally by the managers in each area.
- 2.2 Telematics offers managers at all levels of the organisation access to key data that enables effective management of the fleet, along with options to enhance fleet compliance.
- 2.3 Some departments already have telematics systems but it is proposed to introduce this across the whole Council fleet to ensure the full benefits of the system and value for money are achieved.
- 2.4 The information gathered from the introduction of telematics would be key to assisting in the next phase of the ongoing fleet review in order to challenge departments to standardise vehicles, increase utilisation and reduce the numbers overall within the fleet.

### 3. Main report

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- 3.1 Telematics systems offer a meaningful data resource that can be used to manage a large fleet effectively. By analysing this data as part of a daily routine, managers will be able to improve fleet performance, fleet utilisation, driver safety and enhance fleet compliance.
- 3.2 CGI, the Council's ICT partner, have identified Trackyou as a supplier who have the capability to meet the Council requirements for telematics.

### **Fleet Performance**

- 3.3 Fleet Services will have a central role in looking at the exception reports that the system generates, and ensuring that each of these are responded to correctly by managers in each of the areas. Typical exception reports include the use of vehicles outside core working hours and vehicles operating outside of their relative operational area.

The live system will provide the location of all fleet assets on a minute by minute basis. The software will also record the operation of specialist vehicles, such as the gritting fleet, road sweepers and refuse collectors. This data will help in future to easily locate vehicles, to better understand operational routes and to optimise route scheduling in order to re-direct vehicles to deal with urgent or emergency response situations.

### **Fleet Utilisation**

- 3.4 Fleet services will take a holistic view across the fleet and will determine if vehicles can be shared across departments or whether there are other forms of provision of such a vehicle (e.g. hire as and when required). Any vehicles underutilised could be removed and therefore reduce the overall vehicle fleet. Longer term analysis may show where even more fleet reductions can be made without affecting service levels.

### **Improving Safety**

- 3.5 The system is live and requires a vehicle user to 'sign on' to the vehicle prior to commencing any journey. This allows driver performance to be monitored, as well as the provision of an audit trail should this be required in relation to road traffic violations or parking/bus lane infringements.
- 3.6 At a local level, managers or supervisors would have access to a range of data, particularly in terms of driving style which may highlight any unsafe practice, including harsh braking and acceleration. This style of driving not only wastes fuel but causes excessive wear to vehicle components. The data would allow managers to identify driver training needs. Improvements in the overall driving standards of our staff will improve fleet safety through the reduction of collisions. How the training is identified and given including any re-assessment period will be agreed through consultation with managers and Trade Unions.
- 3.7 The system will be able to highlight 'collision hot spots' such as busy roundabouts or junctions where a high level of braking events is recorded. This data could then be used to populate route risk assessments as a means of engaging with staff about the associated risks.
- 3.8 A telematics system can also help protect a vehicle from theft, and alert the fleet operation that a vehicle has been taken. It can then be used to assist the Police in locating the vehicle.



- 3.9 Driver training will take place as part of the rollout of the system. In addition, the current Drivers Handbook will be updated to reflect the use of telematics and the responsibility of drivers to engage in the use of the system.

### **Fleet Compliance**

- 3.10 Telematics will offer several benefits to help the Council comply with the regulations contained within the Councils Operators licence ('O' licence). For large goods vehicles this will automatically download the information from the digital tachographs fitted to vehicles, eliminating the need for the driver to download their card or Fleet Services having to physically visit each truck every 56 days to gather the required information. Another compliance tool would be the inclusion of a button that the driver presses to indicate that they have completed their first use check and indicates that they are fit and well to drive. This would eliminate the current paper based system.
- 3.11 The system can also monitor the vehicles speed against the posted limit for any given road. It is normal to set the system so that it only generates a warning when a threshold above the limit has been breached. As the Council has a duty of care to both the public and its employees, these cases must be dealt with appropriately. This will not be implemented until there has been consultation with Trade Unions and managers to establish an agreed process.

### **Challenges**

- 3.12 To ensure successful implementation of telematics the system will be implemented in stages. Telematics can provide a huge array of reporting that could easily overwhelm managers and cause them to disengage from the project. Fleet services main challenge is to engage with both managers and Trade Unions at all levels through a systematic approach to maximise the benefits of telematics.
- 3.13 After installation one of the first targets will be engine idling. This can be very effective in providing a near instant fuel saving, as well as helping managers and staff to become familiar with the system and help establish the lines of communication from the head of service to the lowest level of the organisation.
- 3.14 Telematics will be required to integrate with all other fleet management systems including fuel, digital tachograph compliance and Routesmart. The savings identified in the proposal for the Routesmart Route Management System have been considered and it is envisaged that there is scope for further savings to be made in terms of excess idling activity, fleet reductions and improving safety.
- 3.15 The impact on the fleet maintenance department as a result of the savings from telematics will be an adverse income from fuel, accident damage and ongoing maintenance however more focus will be able to be applied to planned maintenance to improve service levels for customers and it will provide further opportunity to look into external work.

## **Future Opportunities**

- 3.16 Fleet Services will be able to use the data to determine what sort of journeys are undertaken by individual vehicles. With this information Fleet Services could determine the potential for the use of alternative fuel vehicles such as electric or dual hybrid systems. This would reduce the fuel and maintenance costs and improve the carbon footprint of the fleet.
- 3.17 Increased efficiency is a key benefit from this type of system. Telematics will provide the Council with a data set that shows how vehicles move around the city on a day to day basis. This data can be used to verify planning models and contribute to wider Council aims such as air quality management.
- 3.18 A pool car system similar to that used by The Enterprise Car club is available, but this will be examined separately as part of the review of the Councils "Grey Fleet."

## **4. Measures of success**

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- 4.1 Any reduction in fuel usage will be the simplest measure of success. Longer term a reduction in accidents, non-fair wear and tear and reduction in speeding offences can be achieved. This will only become apparent as the system is used over time.
- 4.2 Community benefits of this system will be decreased emissions by the Council fleet (improved air quality), and a general improvement of driver standards throughout the Council leading to safer operation of Council vehicles within the Council environments.

## **5. Financial impact**

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- 5.1 The estimated cost of the system proposed by CGI will be £250,000 per year to operate. It is intended to operate the system until the end of the CGI contract which would be seven years, giving a total cost of £1.75m. It is proposed the cost will be funded via the 'Spend to Save' funding scheme in collaboration with the Routesmart Route Management System previously approved for funding in this format.
- 5.2 The Council fleet currently uses 2.79m litres of diesel, and 303,000 litres of unleaded petrol. The current cost to the Council for this fuel is £0.90 per litre (excluding VAT) giving a fuel bill of £2.8m, but this is variable due to fluctuations in the cost of fuel. Fuel costs are likely to rise in the next year.
- 5.3 A 10% saving in fuel would cover the cost of implementing the system, and this is a target that is achievable if the system is implemented and managed properly. The saving would not be delivered on day one, but would gradually increase as the information is used. It is anticipated that 5% of this saving will be achieved through the initial targets of a reduction in engine idling and unauthorised use of vehicles.

- 5.4 Early identification of any underutilised vehicles will allow fleet to challenge departments on their usage and general vehicle requirements to meet service needs. Excess vehicles can be removed from the fleet.
- 5.5 It is considered that further benefits can be derived from the introduction of telematics across the whole Council fleet such as reduced wear and tear and reduced turnover of vehicles (increasing the period that a vehicle can be utilised within the fleet). The result is vehicle components lasting longer, higher residual values and the opportunity to retain a vehicle for longer than originally planned creating a cost saving.
- 5.6 Where telematics has been introduced, organisations have noticed a drop in accidents and insurance claims. In the long-term it is anticipated that the Council could see a reduction in insurance costs, although the exact amount of this reduction cannot be calculated (some organisations report a reduction in the number of accidents to be as much as 20%). Last year the Council fleet charged £921,000 for accident damage and non-fair wear and tear.
- 5.7 Example case studies have been completed and provided by Trackyou to demonstrate the success fleet operators have achieved through the implementation of telematics including:
  - 5.7.1 Northern Powergrid delivered a financial saving of £136 per vehicle per year through improving driver behaviour by managing and reducing the number of harsh driving events by 57% overall.
  - 5.7.2 Swansea Council achieved savings through improved vehicle utilisation allowing them to return 40 vehicles to the lease supplier which were identified as surplus to requirements and in the process, save the authority more than £400,000.
  - 5.7.3 The Parts Alliance Group have a fleet of over 1,100 delivery vehicles utilising telematics since 2009. They have achieved a £10,000 saving per month through elimination of out of hour's/ unauthorised vehicle travel reducing the cost per mile of their vehicles based on fuel usage and maintenance.
  - 5.7.4 Other notable existing public sector customers of Trackyou include: West Lothian, Midlothian, East Lothian, Falkirk and Glasgow City Councils all of whom have seen notable savings and benefits in terms of fleet management following implementation.

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

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6.1 The following risks have been identified as potential issues to success of the project:

| Risk   | Mitigating Action.  |
|--|---|
| Savings targets not achieved   | Fuel spend and vehicle damage will be monitored by Fleet Services and Head of Service to ensure that savings are being delivered.   |
| Concerns regarding monitoring of driving standards and activities                | <p>The system is primarily about controlling fleet assets and ensuring that the Council is utilising its fleet correctly. Improving driving standards will benefit drivers, and the system can offer protection in being able to prove a vehicles location in the case of a fraudulent claim. The telematics system will be used to identify training needs for drivers who are not driving efficiently or safely.</p> <p>The implementation plan would allow drivers and managers a short time to become familiar with the information that the system is providing, before the rules around the system were applied fully.</p> <p>The use of telematics is commonplace in all vehicle related industries.</p> |
| Lack of ownership of the system and data   | Managers will be trained to use the system and automated reports will be produced. Where issues are not being addressed by managers, this will be escalated by Fleet Services to Senior Management within the affected department.  |
| Worries by staff that the system will solely be used to spy on their activities. | The system will be implemented with full consultation with managers and Trade Unions to establish an agreed process. The system is fitted to council vehicles only and as such should only be used for authorised council business.   |

## 7. Equalities impact

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7.1 A preliminary equality and rights impact assessment was considered in relation to the implementation of this system and no equalities or rights impacts have been identified.

## 8. Sustainability impact

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- 8.1 This system will help the Council meet its carbon targets by reducing fuel usage through controlling idling, harsh acceleration and braking. This will also improve the impact that the Council fleet has on air quality.
- 8.2 Telematics would provide data to analyse which could determine the financial viability of replacing a conventional diesel setup with an alternative fuel driven vehicle within the fleet (for example: increasing the number of vehicles powered by electric, hybrid and gas systems).

## 9. Consultation and engagement

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- 9.1 The larger fleet operators; waste and cleansing, parks and greenspace, roads, building services and community transport have been consulted about this implementation.
- 9.2 The Trade Unions will be consulted at each stage of implementation to ensure that the system is operated fairly.
- 9.3 As the rules of the new system are agreed, staff will be given time to become acclimatised with the operation of the system, and in the first few months the rules will only apply in cases of serious infringements (to be defined in the updated driver handbook).

## 10. Background reading/external references

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None

### Paul Lawrence

Executive Director of Place

Scott Millar, Fleet and Workshops Manager

E-mail: [scott.millar@edinburgh.gov.uk](mailto:scott.millar@edinburgh.gov.uk) | Tel: 0131 347 1902

## 11. Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition Pledges</b>        | P50 – Meet greenhouse gas targets, including the national target of 42% by 2020                           |
| <b>Council Priorities</b>       | CP08 – A vibrant, sustainable local economy   |
| <b>Single Outcome Agreement</b> | S02 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health. |
| <b>Appendices</b>               | None  |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Removing Barriers to Fish Passage on the River Almond

|                   |        |
|-------------------|--------|
| Item number       | 7.16   |
| Report number     |        |
| Executive/routine |        |
| Wards             | Almond |

### Executive summary

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The River Forth Fisheries Trust and the City of Edinburgh Council are looking to deliver improvements to the River Almond at a catchment scale. The work will consist of in-channel and new channel changes to the river and structures within the river to improve the status of the reaches to 'good' under EU Water Framework Directive categorisation as well as improving the setting, access and interpretation of the River Almond. The work is likely to deliver significant benefits in terms of enjoyment, learning and promoting the cultural life of the river environment.

### The Key Objectives

1. Improving the river morphology and removing barriers to fish passage to improve the overall status of the river for compliance with the EU Water Framework Directive;
2. Undertake works directly on City of Edinburgh owned assets to make the required improvements;
3. Raise awareness and engage with local communities on the value and benefit of the works and the consequential benefits to wildlife and communities in the River Almond catchment.

### Links

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|                          |                     |
|--------------------------|---------------------|
| Coalition pledges        | <a href="#">P31</a> |
| Council outcomes         | <a href="#">CP9</a> |
| Single Outcome Agreement | <a href="#">SO4</a> |

## Removing Barriers to Fish Passage on the River Almond

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 notes the findings of the technical optioneering process and detailed designs and costings for a new fish pass at Fair-A-Far weir on the River Almond and supports the physical changes to the weir outlined therein.
  - 1.1.2 notes the findings of the technical optioneering process for both removal and easement options at Dowies Mill weir and supports the production of detailed designs and costings for these.
  - 1.1.3 Approves the procurement of the delivery of the new fish pass at Fair-A-Far weir at a maximum cost of £0.435m excluding VAT.

### 2. Background

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- 2.1 The Water Framework Directive (WFD) (Directive 2000/60/EC) commits member states to achieve good qualitative and quantitative status of all water bodies. The Directive was transposed into Scots law by the Water Environment and Water Services (Scotland) Act 2003.
- 2.2 The Scottish Environment Protection Agency (SEPA) has identified that physical barriers in particular are preventing fish from navigating long reaches of some water bodies in Scotland, which is ultimately preventing a number reaching good status. Easing or removing these barriers is therefore a priority to improve their status and meet statutory WFD requirements. Voluntary measures are being sought from owners of redundant and historic barriers to improve fish migration to support achieving good status by 2027.
- 2.3 The River Almond Barriers Project identifies ways of improving fish passage throughout the River Almond by easing fish passage at known barriers to fish migration. The project encompasses seven barriers which have a negative cumulative impact on fish populations in the Almond catchment. Two of the seven barriers (Fair-a-Far and Dowies Mill) are situated within City of Edinburgh Council boundaries and are wholly owned by the Council. The project is being managed by the Rivers and Fisheries Trusts of Scotland (RAFTS) in partnership with the River Forth Fisheries Trust (RFFT) supported by the Scottish

Government's Water Environment Fund and the Heritage Lottery Fund. Officers represent the Council on the project steering group

- 2.4 Although the River Almond weirs at Fair-a-Far and Dowies Mill have become part of the local landscape of Cramond and the River Almond walkway, they are no longer required for abstraction and could potentially be removed or modified to improve fish passage and extend the distribution of migratory fish throughout the Almond catchment, which would greatly enhance the wildlife and biodiversity of the catchment in general.
- 2.5 An optioneering exercise was completed in September 2015, which identified those options considered most technically suitable for easing fish passage at each of the sites: a fish pass and repair of the weir crest for Fair-a-Far and removal of Dowies Mill weir. Fair-a-Far has now been taken forward to detailed design. Dowies Mill detailed design is due to be completed in March 2017.
- 2.6 A public consultation exercise organised by RAFTS in partnership with SEPA and the RFFT was carried out in 2015. This included a presentation from consultant river engineers Atkins. Community meetings have also taken place in 2016 and 2017 providing updates on the weirs project. Having considered the detailed designs, the Council and SEPA (which administers the Water Environment Fund) will determine if these options will go forward to the construction works phase of the project.

### **3. Main report**

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#### **Fair-a-Far Weir**

- 3.1 Fair-a-Far is a 30m wide masonry horseshoe weir with a vertical downstream face of approximately four metres height above the river bed level. There is an existing fish pass structure situated at the left bank. However, this is insufficient for fish passage due to the turbulent and confused flow, which results in limited usage. The weir is no longer used for any industrial purposes but is a B listed structure and a focal point for local residents enjoying the adjacent River Almond walkway.
- 3.2 The weir at Fair-a-Far presents a significant barrier to upstream fish migration. The descent over the weir face is hazardous for downstream migrants since in places the water drops onto shallow bedrock. Fish ecology assessments have classified the weir face as impassable for all species and therefore a significant impact on fish migration. Due to its location near the tidal limit, optimising fish passage at Fair- a-Far weir is particularly essential for salmon, sea trout and other migratory fish species.



3.3 The result of the options appraisal process suggests that, on the balance of benefits and risk, the best option to overcome the barrier to fish passage is installation of a Larinier fish pass, using the footprint of the existing fish pass as much as possible, and repair of the weir crest. This type of fish pass will provide significant improvements in fish passage whilst minimising the visual and physical impact on the weir and its environs. Removal is not considered viable due to the considerable heritage and amenity value placed on the structure and its surroundings. Removal would also require re-grading of a significant length of river due to the large size of this structure.

### **Dowies Mill Weir**

3.4 Dowies Mill weir is a 70 metre wide predominantly concrete weir, with sections of concrete capping boulders and a variety of downstream face gradients. There are several points along the crest of the weir where concrete sections are missing or fragmented, showing the boulders below. The weir is in a noticeably poor state of repair and would appear likely to further degrade in the future. This is likely to alter passage for fish in unpredictable ways, and could be a risk to the long term success of future improvement works unless it is stabilised.

3.5 Due to its poor condition, which presents significant engineering challenges, the options appraisal process suggests that, on the balance of technical benefits and risks, the best option is removal. However, Cramond Brig is situated approximately 180 metre upstream of the weir and a structural survey identifies the bridge as currently having a 'low' scour risk rating. Removal of the weir would cause lowering of the river bed level, which is likely to affect the structural integrity of the bridge apron at Cramond Brig and could lead to its failure and exposure of the bridge foundations. The scour risk rating for Cramond Brig following any removal of the weir at Dowies Mill is therefore predicted to increase to 'high'.

3.6 The detailed designs for removal of Dowies Mill weir will include consideration of the likely degree of bed lowering at Cramond Brig as well as options for improved scour protection of Cramond Brig and riverbed stabilisation. Consideration will also be given as part of the detailed design works on the potential required ongoing maintenance and liability requirements for the Council (for both Cramond Brig and Dowies Mill Weir) should Dowies Mill weir not be removed.

3.7 Hydraulic assessment will be used as part of the detailed design works to inform geomorphological assessment, and to examine the impact of removal on sediment mobilisation and changes to erosion and deposition patterns, including bed and bank erosion risk upstream and deposition risk downstream. A contamination assessment will assess the likelihood of sediment mobilisation, contaminant release and silt smothering of habitat downstream.

- 3.8 The River Almond walkway runs along the east bank of the river and allows direct views of both weirs, which are key landmarks along the route. The walkway is well-used and highly regarded, allowing easy access to picturesque riverside views. The river and walkway are an Area of Outstanding Landscape Quality and a Special Landscape Area within the Edinburgh Local Development Plan. The site is also within the Green Belt and the Cramond Conservation Area. As part of the detailed design process a Landscape and Visual Appraisal to assess the impacts of the proposed works on these policy designations, alongside key receptors such as the Core Path CEC 11, roads and local residential properties will be undertaken.
- 3.9 Fair-a-Far weir is Category B listed and the removal of Dowies Mill weir will affect Category A listed Cramond Brig. Dowies Mill weir formed part of a historic mill complex, now represented by Category B and C listed mill cottages, and so forms part of the historic setting of these Listed buildings. Listed building consent will therefore be required for the replacement fish pass and crest repairs at Fair-a-Far weir, as well as any scour protection at Cramond Brig. Furthermore, both weirs are situated within the Cramond Conservation Area. As a result, the works should conserve or enhance the historic fabric and avoid adverse impacts on setting. A heritage assessment will be undertaken as part of the detailed design process to set out the heritage significance of the weirs and their setting, and to establish the likely impact of the proposed work on that significance. This will include consideration of both designated and non-designated heritage assets.

## **4. Measures of success**

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- 4.1 Success of the proposed fish easement options at Fair-A-Far and Dowies Mill will be measured by improvements to migratory fish numbers in the River Almond and the extension of the distribution of migratory fish throughout the Almond catchment. There is also the potential to greatly enhance the wildlife and biodiversity of the catchment in general.
- 4.2 Success of the proposed fish easement options will also be measured by improvements in the Water Framework Directive status of the River Almond from its current poor status to good status by 2027.

## **5. Financial impact**

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- 5.1 The Council currently undertakes very little maintenance work at either structure.
- 5.2 The Almond Barriers Project provides financial support to help owners of redundant river barriers to achieve fish passage. Under Water Framework Directive legislation in Scotland there is an obligation on all weir and dam owners to ensure fish passage over their structures. The Cramond weirs are currently eligible for financial support from SEPA's Water Environment Fund

because of their redundant and non-commercial nature. However, if the design solution chosen does not enable the required levels of fish passage, or funding rules change in the future, structure owners will be obliged to improve fish passage at their own cost. Moreover, if work is not undertaken and either of the weirs were to fail there would be a need for the Council to resolve the scouring risk to Cramond Brig.

- 5.3 The work to date has been entirely funded through the Scottish Government's Water Environment Fund (WEF) and administered by SEPA and the Heritage Lottery Fund. As the project moves towards its construction stage, SEPA will require a contribution towards any investment it makes in infrastructure owned by the Council. SEPA has approved that the Council's entitlement to the recovery of 20% VAT on the gross project costs may be used as the Council's contribution, making the project cost neutral for the City of Edinburgh Council.
- 5.4 The works at Fair-a-Far weir are estimated to cost £0.522m inclusive of VAT. The Council has received an offer of grant from Scottish Government of £0.435m, and the City of Edinburgh Council's contribution of £0.087m will be met via VAT-recovery. The works at Dowies Mill weir can only be estimated once a favoured option is determined.

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

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- 6.1 The Flood Risk Management (Scotland) Act 2009 requires local authorities to exercise their powers with a view to reducing overall flood risk.
- 6.2 The Water Environment and Water Services Act 2003 requires local authorities to carry out their statutory functions and duties in a way which adheres to the principles of the European Water Framework Directive.
- 6.3 Currently the Council does not have a Controlled Activities Regulation (CAR) licence for either structure. However, under the Water Environment and Water Services Act 2003, all qualifying impoundments should be licenced. It would be expected that any licence would include conditions requiring maintenance and fish passage at each of the structures.
- 6.4 The Nature Conservation (Scotland) Act 2004 places a duty on officials and public bodies to further biodiversity.
- 6.5 The Scottish Biodiversity Strategy identifies the role of local authorities in meeting national species and habitat priorities.

## **7. Equalities impact**

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- 7.1 There is no relationship between the matters described in this report and the public sector general equality duty. There is no direct equalities impact arising

from this report.

## **8. Sustainability impact**

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- 8.1 The repairs and alterations to both Fair-A-Far and Dowies Mill weirs will improve fish passage along the River Almond and make the Council compliant with the Water Framework Directive 2003. It will enhance the wildlife and biodiversity of the river corridor and raise the river's current status from poor to good by 2027.

## **9. Consultation and engagement**

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- 9.1 The opinions of local communities and other interested parties were canvassed as part of the feasibility and optioneering phase of the Almond Barriers project. Four public information meetings were held. Two initial meetings took place during the project data collection phase to discuss the project to date, the overall aims and objectives and to hear the views of local people. At these meetings the potential engineering options were outlined to attendees and people given the opportunity to give their views on suitable options to ease fish passage at each of the sites.
- 9.2 Questionnaires were made available to those attending the meetings to provide an opportunity for comments and views to be submitted and recorded. The questionnaire was also made available online and the web address circulated to email contacts as well as being promoted on the Rivers and Fisheries Trusts of Scotland and River Forth Fisheries Trust websites and social media. Following completion of the Options Appraisal Report, two further public information meetings were held to present the results of the technical optioneering process, including visualisations of the preferred options for each site.
- 9.3 Responding to a request from the local community in Cramond, display boards outlining the project aims and containing visualisations of the preferred options for Fair-A-Far and Dowies Mill were erected in Cramond Kirk Hall during October 2015.
- 9.4 The questionnaire was completed by 126 respondents. For the Fair-a-Far weir, 53% prefer modification to current fish passage, 18% favour fish pass easement and 29% preferred full or partial removal of the weir. For Dowies Mill weir, 51% prefer modification to current fish passage, 19% favour fish pass easement. and 30% preferred full or partial removal of the weir.

## 10. Background reading/external references

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- 10.1 SEPA consultation on developing the second river basin management plan for the Scotland River Basin District:  
[http://www.sepa.org.uk/water/river\\_basin\\_planning/scotland.aspx](http://www.sepa.org.uk/water/river_basin_planning/scotland.aspx)
- 10.2 A number of studies relating to the barriers and fish passage on the River Almond have been undertaken for RAFTS or SEPA since 2010. The previous reports produced and used to support the current study are as follows:
- Assessment of Instream Barriers, River Almond, Atkins, 2011
  - River Almond Structural Examination and Silt Survey Summary Report, Mott MacDonald, 2014
  - River Almond Geo-Environmental Desk Study, Mott MacDonald 2013
  - Flood Risk Assessment: Cramond Weirs, Mott MacDonald 2014
  - Flood Risk Assessment: Howden Bridge Weir, Mott MacDonald 2014
  - Structural and Silt Survey Reports (one for each of the seven barriers), Mott MacDonald 2014
- 10.3 River Almond Feasibility and Optioneering Study to Improve Fish Passage – Atkins September 2015: <http://www.rafts.org.uk/wp-content/uploads/2015/10/River-Almond-Feasibility-and-Optioneering-Study-to-Improve-Fish-Passage-2-2.pdf>

### Paul Lawrence

Executive Director of Place

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## 11. Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition pledges</b>        | P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure. |
| <b>Council outcomes</b>         | CP9 – An attractive city.   |
| <b>Single Outcome Agreement</b> | SO4 – Edinburgh’s communities and safer and have improved physical and social fabric.   |
| <b>Appendices</b>               | None  |

# Finance and Resources Committee

10.00am, Thursday 23 March 2017

## King's Theatre Capital Development Project - referral from the Culture and Sport Committee

|               |      |
|---------------|------|
| Item number   | 7.17 |
| Report number |      |
| Wards         | All  |

### Executive summary

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The Culture and Sport Committee on 20 March 2017 considered the attached report by the Executive Director of Place providing an overview of the Festival City Theatres Trust's current capital project plans to develop the King's Theatre.

The report has been referred to the Finance and Resources Committee for inclusion of the project in the Council's Capital Investment Programme prioritisation process.

### Links

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|                                 |                     |
|---------------------------------|---------------------|
| <b>Coalition pledges</b>        | See attached report |
| <b>Council priorities</b>       | See attached report |
| <b>Single Outcome Agreement</b> | See attached report |

# Terms of Referral

## King's Theatre Capital Development Project

### Terms of referral

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The Culture and Sport Committee 20 March 2017 considered a report which provided an overview of the Festival City Theatres Trust's (FCTT) current capital project plans to develop the King's Theatre. An options appraisal commissioned by the Trust had costed the project at £25m.

The report has been referred to the Finance and Resources Committee for inclusion of the project in the Council's Capital Investment Programme prioritisation process which would also include any lease extension agreement process and principles.

The Culture and Sport Committee agreed:

- 1) To agree, in principle, to the extension of the King's Theatre lease to the Festival City Theatres Trust (FCTT) for a further 25 years from 2023.
- 2) To agree that a contribution of £5m towards the development project be considered as part of the next review of Council's Capital Investment Programme 2018-23 and that any capital contribution be subject to the achievement of the full project budget of £25m, presentation of a robust business case together with consideration of the Council's future budgetary position and priorities.
- 3) To refer the project to the Finance and Resources Committee for inclusion in the Council's Capital Investment Programme prioritisation process and to include any lease extension agreement process and principles.

### For Decision/Action

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- 2.1 The Finance and Resources Committee is asked to approve the inclusion of the King's Theatre Capital Development Project in the Council's Capital Investment Programme prioritisation process and to include any lease extension agreement process and principles.

### Background reading / external references

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Minute of the Culture and Sport Committee 20 March 2017

[Minute of the Culture and Leisure Committee 26 April 2011 \(item 13\)](#)

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## Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition pledges</b>        | See attached report                       |
| <b>Council priorities</b>       | See attached report                       |
| <b>Single Outcome Agreement</b> | See attached report                       |
| <b>Appendix 1</b>               | Report by the Executive Director of Place |



# Culture and Sport Committee

2.00pm, Monday, 20 March 2017

## King's Theatre Capital Development Project

|                          |           |
|--------------------------|-----------|
| <b>Item number</b>       | 8.3       |
| <b>Report number</b>     |           |
| <b>Executive/routine</b> | Executive |
| <b>Wards</b>             |           |

### Executive summary

The Festival City Theatres Trust (FCTT) is responsible for the successful management, maintenance and development of both the Festival and King's Theatres. The Trust is a Council Company and their performance report is submitted annually to the Culture and Sport Committee.

This report captures an overview of the Trust's current capital project plans to develop the King's Theatre and recommends that a Council contribution to the project is considered as part of the next review of Council's Capital Investment Programme 2018-23.

FCTT also seeks agreement to the extension of the King's Theatre lease to the Festival City Theatres Trust for a further 25 years from 2023.

The capital project cost is estimated at £25m. The Trust will provide £5m from their Theatre Development Fund which is resourced from through their ticket levy; the fundraising target is £15m; and the requested Council partnership contribution is £5m.

### Links

|                                 |                     |
|---------------------------------|---------------------|
| <b>Coalition pledges</b>        | <a href="#">P31</a> |
| <b>Council priorities</b>       | <a href="#">CP6</a> |
| <b>Single Outcome Agreement</b> | <a href="#">SO1</a> |

## King's Theatre Capital Development Project

### 1. Recommendations

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- 1.1 To agree in principle to the extension of the King's Theatre lease to the Festival City Theatres Trust (FCTT) for a further 25 years from 2023.
- 1.2 To agree that a contribution of £5m towards the development project is considered as part of the next review of Council's Capital Investment Programme 2018-23 and that any capital contribution would be subject to the achievement of the full project budget of £25m, presentation of a robust business case together with consideration of the Council's future budgetary position and priorities.
- 1.3 Subject to Committee agreement, to refer the project to Finance and Resources Committee for inclusion in the Council's Capital Investment Programme prioritisation process. The referral would include any lease extension agreement process and principles.

### 2. Background

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#### History

- 2.1 Opened in 1906, The King's Theatre is successfully managed by the FCTT, and is one of Scotland's oldest and best loved theatres. Each year, over 200,000 people visit the King's for touring drama, musicals and children's shows. The King's is also home to Scotland's most popular Panto production, the annual Gang Show, and also plays a pivotal role in hosting the Edinburgh International Festival.
- 2.2 Now 110 years old, the theatre is in need of major redevelopment to bring it up to 21<sup>st</sup> Century theatre standards; to make it accessible; and to meet the needs of modern audiences. The King's went through renovations in the 1950's and in 2011/12 a £2.3m refurbishment, £2.1m of which was funded by the Council. This addressed some urgent repairs and upgrades to the exterior of the building to ensure it is wind and water tight. However, back stage redevelopment is essential to meet current legislative requirements and to attract modern touring companies. The exterior and interior of the building are in a poor state, and facilities are in need of modernization. Access to the building is extremely difficult for visitors with limited mobility.
- 2.3 FCTT is planning a substantial capital and business redevelopment investment programme to secure the future of this important and successful Council asset.

### 3. Main report

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- 3.1 The King's Theatre has been in Council ownership since the 1960's. FCTT aims to transform the historic venue to create a home for a vibrant theatre; a newly created visitor attraction; and an education hub. The ambition is to modernise and preserve the King's for at least the next 50 years. The redevelopment would give a new lease of life to a beautiful and important historic building, and an asset to the city and local community. The project proposal will include recovering some of the architectural heritage.
- 3.2 The redevelopment plans include the transformation of back stage facilities which will enable FCTT to attract modern touring companies, allowing a fuller programme to be enjoyed by residents and visitors alike. It will ensure both day and night time activities and use, through the creation of a destination venue and visitor attraction which showcases the history of Scottish theatre, and celebrates the locality. Facilities and spaces designed especially for lifelong learning will be provided.
- 3.3 Key areas which need to be addressed include physical access which is very limited both to the auditorium and to the performance spaces; welfare facilities for customers and staff; toilet provision which requires to be brought up to current standards; back of house dressing rooms; improvements to income opportunities for FCTT including bars, hospitality and catering support space; replace the outdated raked stage (touring sets are designed for a flat stage); space to deliver outreach and educational projects; access for stage sets and scenery; legislative compliance concerns such as fire and evacuation; electrical installation; lifting operations and lifting equipment; asbestos (currently encapsulated).
- 3.4 An improved business model has been established by the Trust which addresses:
- Flexibility for more, new productions which cannot currently tour to Edinburgh (including mid-scale dance)
  - Improvements to efficiency for current model of productions, which will cut costs, increase earning potential, improve compliance, and reduce impact on neighbouring properties
  - Expand existing learning, participation and outreach programmes
  - Bridge a current gap between students emerging from higher education and going into employment in the arts, working with FE partners and theatre experts relating to the wide mix of visiting companies that we attract
  - Create a vibrant visitor attraction including the building and theatre heritage in tours and activities
  - Capture the cultural heritage of this important architectural and cultural asset.
- 3.5 The Trust's business plan intends to deliver a number of key benefits including transformational change to a key element of the arts infrastructure in Edinburgh; the opportunity for the further establishment of the King's as a destination for

- high quality programme which will attract UK and international touring; inter-generational engagement with the Trust's activities and the built heritage; further public involvement in the arts and in the theatre's rich architectural heritage; learning, through the Trust's activities and through work with FE providers; further enriching tourism in the city; increase both day and night time activity in the locality and contribute to Edinburgh as a place to live and work.
- 3.6 An options appraisal by Page/Park architects, commissioned by FCTT, has costed the King's redevelopment project at £25m. FCTT will contribute £5m towards the King's redevelopment project. This amount will come from FCTT's Theatre Development Fund which has income from a £1.50 ticket levy. Post re-development, the ongoing maintenance and preservation of the King's will be met by the Theatre Development Fund.
  - 3.7 Stakeholder support and input includes FCTT's continuing contact with all key stakeholders in designing the project, and input to the Options Appraisal from a number of parties, including the main UK touring producers and Edinburgh International Festival. Learning and participation work has already started and is supported by a number of partners in its delivery. Positive dialogue with FE colleges and universities is established. The Options Appraisal has been shared with staff and key stakeholders.
  - 3.8 FCTT proposes a partnership capital contribution from the Council of £5m of which would provide essential leverage to realise a further £15m of funding through a planned fundraising campaign, including an application to the Heritage Lottery Fund. This amount matches the Trust's direct capital contribution to the budget of £5m. Without partnership capital funding from the Council, it is highly unlikely that a Heritage Lottery application could be successful. The deadline for the Trust's Stage 1 Heritage Lottery Fund (HLF) application is December 2017.
  - 3.9 In principle capital support from the Council as venue landlord would serve to evidence support for the funding application to HLF. HLF do not lead fund on the projects they resource. The HLF funding deadlines and process are as follows:
  - 3.10 Stage 1 HLF application will be in December 2017; the outcome for HLF stage 1 application is released in April 2018, if successful, design development will take place to allow a stage 2 application, thereafter contractor and final design team procurement can take place.
  - 3.11 FCTT also requests that the Council commits to extending the theatre's lease for a further 25 years. The current lease expires in 2023. The extension of the lease also affects the likelihood of other key partnership funders commitment to committing resources to the project.
  - 3.12 Should a lease extension be agreed in principle by the Council, any lease agreement would be required to ensure that the Council's position is protected should the capital project not go ahead as planned. As part of this agreement process, the rental value to the Council will be reviewed and agreed.
  - 3.13 FCTT aim to start building works in 2021 and are projecting an 18 month build period. The impact of this timeline on principal partners such as the Edinburgh International Festival will be mitigated and reported in due course.

## **4. Measures of success**

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- 4.1 The delivery of a renewed King's Theatre and an enhanced business model providing an extensive programme of day and night time activity in the venue and throughout the year.

## **5. Financial impact**

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- 5.1 The report requests an in principle Council capital contribution to the King's Theatre redevelopment project of £5m as a core element of an overall project budget of £25m.
- 5.2 The contribution, if agreed in due course and as outlined in the report, would be subject to the realisation of the full capital budget requirement of £25m. It is noted that the Council cannot agree its new capital budget by December 2017, the reported Stage 1 application deadline for partner funding from the Heritage Lottery Fund for the redevelopment project. Potential partner funders, including HLF are aware of Council budgetary processes. Any Council agreement to capital resources would be in principle at this stage, and would be subject to the Council's future budgetary position and priorities; the achievement of the full required partnership budget of £20m; and the delivery of a robust business case.

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

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- 6.1 The Festival City Theatre Trust's management of the King's Theatre venue and programme contributes to the delivery of the Council's citywide Culture Plan. There are no risk, compliance or governance impacts arising from this report.

## **7. Equalities impact**

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- 7.1 An Equality and Rights Impact Assessment for the King's Theatre Project has been carried out positive impacts include creation of full public access to the venue; and the development for the city's cultural infrastructure, and for its residents and visitors.

## **8. Sustainability impact**

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- 8.1 There are no negative sustainability impacts arising from this report. The refurbishment of the building will provide for its sustainable future.

## 9. Consultation and engagement

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- 9.1 The development of the project to date has been dependent on a communications and consultation programme informing the programme content and business purpose of the renewed venue.

## 10. Background reading / external references

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- 10.1 [Festival City Theatres Trust - King's Theatre Refurbishment](#) to Culture and Leisure Committee, 26 April 2011

### Paul Lawrence

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## 11. Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition pledges</b>        | P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure |
| <b>Council priorities</b>       | CP6 – A creative, cultural capital   |
| <b>Single Outcome Agreement</b> | SO1 - Edinburgh’s economy delivers increased investment, jobs and opportunities for all  |
| <b>Appendices</b>               |  |

# Finance and Resources Committee

10am, Thursday, 23 March 2017

## Committee Decisions – August 2016 – February 2017

|                   |      |
|-------------------|------|
| 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 August 2016 to February 2017.

### Links

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[Coalition Pledges](#)

[Council Priorities](#)

[Single Outcome Agreement](#)

## Committee Decisions – August 2016 – February 2017

### Recommendations

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To note the position on the implementation of Finance and Resources Committee decisions as detailed in the appendix to this report.

### 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 and 3 November 2016 outlining the status of actions for the November 2014 to June 2015 and July 2015 to July 2016 periods. During these periods 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 August 2016 to February 2017, including status, is detailed in the appendix to this report.
- 3.9 At the Finance and Resources Committee there have been 143 decisions made which were recorded through the committee decisions spreadsheet.
- 3.10 All 39 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](#)

### Andrew Kerr

Chief Executive

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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> |
| 18/08/16  | 22                         | 7           | 15            |
| 08/09/16  | 16                         | 1           | 15            |
| 29/09/16  | 8                          | 0           | 8             |
| 03/11/16  | 22                         | 7           | 15            |
| 01/12/16  | 17                         | 8           | 9             |
| 19/01/17  | 35                         | 7           | 28            |
| 23/02/17  | 23                         | 9           | 14            |
| <b>Total</b>  | <b>143</b>                 | <b>39</b>   | <b>104</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                                  | 2                          | 1           | 1             |
| Communities and Families                                  | 6                          | 2           | 4             |
| Head of Safer and Stronger Communities                    | 13                         | 0           | 13            |
| Place   | 29                         | 0           | 29            |
| Resources   | 89                         | 36          | 53            |
| Chief Officer, Health And Social Care Partnership         | 4                          | 0           | 4             |

**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        | 18/08/2016  | Head of Safer and Stronger Communities | Homelessness Prevention – Review of Advice and Support Pilot | 1) To approve the co-production of specifications for the delivery of homeless prevention services with current providers and other interested stakeholders.   | Closed | Updated report brought to the F+R Committee in Feb 2017. |
| 2        |             |  |  | 2) To approve a funding extension until 30 June 2017 to allow time for further revisions to the services specifications following lessons learned.   | Closed | Updated report brought to the F+R Committee in Feb 2017. |
| 3        |             |  |  | 3) To agree that the relevant elected members and third sector organisations would be invited to a workshop being held on Thursday 25 August 2016 to discuss the development of co-production and the potential barriers faced by the third sector to co-production. | Closed | Updated report brought to the F+R Committee in Feb 2017. |
| 4        | 18/08/12016 | Chief Executive                        | Budget and Transformation Engagement Approach 2016           | To approve the objectives and methodology of the budget and transformation engagement approach for 2016.   | Closed |  |

|   |            |  |  |   |        |   |
|---|------------|--|--|---|--------|---|
| 5 | 18/08/2016 | Acting Executive Director of Resources | Capital Monitoring 2015/16<br>– Outturn and Receipts | 1) To approve the use of £1.2 million earmarked for supplementing planned repairs and maintenance spend through the use of the Capital Fund to fund high priority revenue and maintenance items set out in the report | Closed |   |
| 6 | 18/08/2016 | Acting Executive Director of Resources |  | 2) To approve the revised Capital Programme for 2016-2021.  | Closed |   |
| 7 | 18/08/2016 | Acting Executive Director of Resources | Revenue Monitoring 2015-16<br>– Outturn Report       | To approve the use of £0.5m of the underspend to be set aside for property surveys and refer to Council for ratification.   | Closed | Report referred to Council meeting of 25 August 2016. |

| Item no. | Date       | Directorate                            | Item   | Decision  | Status | Comments   |
|----------|------------|--|--|---|--------|--|
| 8        | 18/08/2016 | Acting Executive Director of Resources | Treasury Management: Annual Report 2015/16                                       | To refer the report to Council for approval and subsequent referral by Council to the Governance, Risk and Best Value Committee for their scrutiny. | Closed | Report referred to the Council meeting of 25 August 2016 and referred to GRBV Cttee meeting on 26 Sept 2016. |
| 9        | 18/08/2016 | Acting Executive Director of Resources | Common Good Annual Performance 2015/16   | To delegate authority for spend on Common Good Planned Property Maintenance to the Acting Head of Corporate Property as set out in the report.      | Closed |  |
| 10       | 18/08/2016 | Head of Safer and Stronger Communities | Provision of a Removal and Storage of Furniture Service Framework from 2016-2021 | 1) To approve the appointment of a two lot multi-supplier Framework Agreement for furniture removals and storage for a period of up to five years.  | Closed |  |
| 11       | 18/08/2016 |  |  | 2) To agree that the Living Wage Foundation rate option should be adopted.  | Closed | Living wage has been awarded.  |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status  | Comments   |
|----------|------------|--|--|--|---------|--|
| 12       | 18/08/2016 | Executive Director of Place            | Former Tenants Rent Arrears 2015/16  | To approve the write-off of £661,096 rent arrears of 229 former Council tenants who had a balance greater than £1000 outstanding in 2015/16.   | Closed  |  |
| 13       | 18/08/2016 | Acting Executive Director of Resources | Edinburgh Shared Repairs Service – Evaluation of the Pilot                           | 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.   | Ongoing | Report was considered by Property Sub-Committee in Jan 2017. A meeting with Civil Servants will take place on 21/3/17. |
| 14       | 18/08/2016 | Acting Executive Director of Resources | Proposed Lease Restructure of Tourist Information Centre at Waverley Mall, Edinburgh | To approve a lease restructure between the Council, RILS and Visit Scotland Limited on the terms outlined in the report, and on other terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing | Delayed due to sale of Waverley Mall. Estimated completed date 31 March 2018.  |

| Item no. | Date       | Directorate                            | Item   | Decision  | Status  | Comments                             |
|----------|------------|--|--|---|---------|--------------------------------------|
| 15       | 18/08/2016 | Acting Executive Director of Resources | Proposed Sale of Former Public Convenience at 199 St Johns Road, Edinburgh | To approve disposal of the former public convenience at 199 St John's Road to Lanark Road Property Limited, on the terms set out in the report and on such other terms and conditions to be agreed by the Acting Executive Director of Resources.                 | Ongoing | Due to conclude April 2017.          |
| 16       | 18/08/2016 | Acting Executive Director of Resources | Proposed 15 Year Lease at Unit 1, 72/78 Niddrie Mains Road, Edinburgh      | To approve a new 15 year lease to Mrs Raheela Mohammed of the retail premises at Unit 1, 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.   | Closed  | Tenant withdrew.                     |
| 17       | 18/08/2016 | Acting Executive Director of Resources | Proposed 10 Year Lease at 69B Braid Road, Edinburgh                        | To approve a 10 year lease extension to Michael Mansell of the former lodge house at Hermitage Braid, 69B Braid 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. | Ongoing | Estimated completion date June 2017. |



| Item no. | Date       | Directorate                            | Item  | Decision   | Status  | Comments                            |
|----------|------------|--|---|--|---------|-------------------------------------|
| 18       | 18/08/2016 | Acting Executive Director of Resources | Proposed Lease Extension at 125 Lauriston Place, Edinburgh  | To approve a 15 year lease extension to Edinburgh Trading Limited of Retail Premises at 125 Lauriston Place, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.               | Ongoing | Estimated completion date May 2017. |
| 19       | 18/08/2016 | Acting Executive Director of Resources | Proposed new lease to Pulsant (South Gyle) Ltd of Units 1 and 2 The Clocktower, Flassches Yard, South Gyle Industrial Estate, Edinburgh | To approve the grant of a new lease to Pulsant (South Gyle) Ltd of Units 1 and 2 The Clocktower, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.                                     | Ongoing | Estimated completion date May 2017. |
| 20       | 18/08/2016 | Acting Executive Director of Resources | Proposed Ground Lease at Port Edgar   | To approve the lease of land, extending to 0.295 ha (0.73 acre) or thereby, to the Marine Society and Sea Cadets in accordance with the terms set out in the report and on other such terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing | Estimated completion date May 2017. |

| Item no. | Date       | Directorate                            | Item  | Decision   | Status | Comments  |
|----------|------------|--|---|--|--------|---|
| 21       | 18/08/2016 | Acting Executive Director of Resources | Proposed Lease and Conservation Burden at Tron Kirk, 122 High Street, Edinburgh | 1) To approve the revised timescale for securing funding by the Edinburgh World Heritage Trust (EWHT) and authorised conservation burdens to be placed on the Council's Title for the Tron Kirk and Hunter Square Toilets on terms be agreed by the Acting Executive Director of Resources.      | Closed | Existing tenant removed under Tenants Relocation – see item 38 below. |
| 22       | 18/08/2016 |  |   | 2) To instruct officers to begin the process of market testing the property, and to ensure that it was marketed within 4-6 weeks, and during this period officers should work with market traders directly to investigate both short and longer term solutions, subject to legal considerations. | Closed | As above  |
| 23       | 08/09/2016 | Acting Executive Director of Resources | Approval to Award Contract for Business Travel                                  | To approve the award of a contract for the delivery of an online booking service for all Council business to Redfern Travel Limited. The contract would be awarded on 10 September 2016 and would operate  | Closed |   |

| Item no. | Date       | Directorate                            | Item   | Decision  | Status | Comments |
|----------|------------|--|--|---|--------|----------|
|          |            |  |  | for three years with the option to extend for a further period of twelve months.  |        |          |
| 24       | 08/09/2016 | Acting Executive Director of Resources | Contractor Works Framework – Award of Contract | 1) To approve the award of Lot 1 – Electrical Installation Works to Arthur Mackay & Co Limited, Dacoll (Electrical Contracting) Ltd, FES Ltd, McGill, Nicolson Bros (Electrical Contractors) Ltd and Skanska FM Ltd at an estimated contract value of £1,250,000 per annum. | Closed |          |
| 25       | 08/09/2016 |  |  | 2) To approve the award of Lot 2 – Mechanical Installation Works to Arthur Mackay and Co Ltd, FES Ltd, McGill and Skanska FM Ltd at an estimated contract value of £1,800,000 per annum.  | Closed |          |
| 26       | 08/09/2016 |  |  | 3) To approve the award of Lot 3 Roofing and Rainwater works to Advance Construction Ltd, Clarks Contracts Ltd, G Grigg and Sons, James Breck Ltd, Watson and Lyall Ltd and Zenith at an estimated contract value of £4,000,000 per annum.                                  | Closed |          |

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| 27 | 08/09/2016 |  |  | 4)To approve the award of Lot 4 Timen/UPVC Windows, Doors and Screens to Ashwood Scotland Ltd, Cornhill Building Services Ltd, Lackehouse Contracts Ltd and Watson and Lyall at an estimated contract value of £4,200,000 per annum.  | Closed |  |
| 28 | 08/09/2016 |  |  | 5)To approve the award of Lot 6 Multi-Trade works packages up to £500,000 in individual value to Ashwood Scotland Ltd, Cornhill Bulding Services Ltd, Clark Contracts, Maxi Construction, McGill and Morris and Spottiswood at an estimated contract value of £8,000,000 per annum.                                 | Closed |  |
| 29 | 08/09/2016 |  |  | 6) To approve the award of Lot 7 Multi-Trade Works Packages between £500,001 - £5,000,000 in individual value to CCG Ltd, Central Building Contractors (Glasgow) Ltd, ESH Construction, Graham construction, Lakehouse Contracts Ltd and Maxi Construction at an estimated contract value of £12,000,000 per annum. | Closed |  |

| Item no. | Date       | Directorate | Item | Decision   | Status | Comments |
|----------|------------|-------------|------|--|--------|----------|
| 30       | 08/09/2016 |             |      | 7) To approve the award of Lot 8 Multi-Trade Works Packages above £5,000,000 in individual value to BAM Construction, CCG Ltd, Central Building Contractors (Glasgow) Ltd, Graham Construction, McLaughlin and Harvey and Morgan Sindall at an estimated contract value of £20,000,000 per | Closed |          |
| 31       | 08/09/2016 |             |      | 8) To approve the award of Lot 9 Stonework and Masonry Works to Cornhill Building Services, G Grigg and Sons, Go Wright, Historic Property Restoration, James Breck Ltd and Zenith at an estimated contract value of £4,000,000 per annum.   | Closed |          |
| 32       | 08/09/2016 |             |      | 9) To approve the award of Lot 10 Groundworks, Civil works and Concrete Repairs to Crummock Scotland Ltd, Advance Construction Ltd, Luddon Construction, MacKenzie Construction and Premier One at an estimated contract value of £125,000 per annum.                                      | Closed |          |

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| 33 | 08/09/2017 |  |  | 10) To approve the award of Lot 12 Water Treatment and Legionella Management Works to Caledonia Heating, Envirocure, GBS Building Service Ltd, HSL Compliance Ltd, Integrated Water Services Ltd and SPIE Ltd at an estimated contract value of £425,000 per annum.  | Closed |  |
| 34 | 08/09/2017 |  |  | 11) To delegate authority to the Director or Head of Service of the relevant Directorate in line with the Scheme of delegation for the awarding of mini competitions which were undertaken using the framework and to note that these awards would be reported to Finance and Resources Committee under the quarterly procurement report for Awards of Contract. | Closed |  |

| Item no. | Date       | Directorate                                       | Item  | Decision  | Status  | Comments  |
|----------|------------|---|---|---|---------|---|
| 35       | 08/09/2016 | Communities and Families                          | Contract Award for the Supply of Tablet Devices from 20 June 2016 To 19 June 2020 | To approve the award of the contract to XMA Ltd for the supply of devices and associated accessories from the 20 June 2016 to 19 June 2020 with an approximate spend of £4,000,000.   | Closed  |   |
| 36       | 08/09/2016 | Chief Officer, Health and Social Care Partnership | Waivers – Independent Advocacy Contracts  | To waive the requirement in Contract Standing Orders and agree to further extend the existing contracts for Independent Advocacy Services with Partners in Advocacy and Advocard from 1 December 2016 to 30 June 2017 in order to allow more time for the completion of the procurement process and in particular consultation and engagement with service users and providers. | Ongoing | The procurement process is almost complete. A report will go to the June meeting of the Finance and Resources committee with contract award recommendations |
| 37       | 08/09/2016 | Acting Executive Director of Resources            | Miscellaneous Debt – Write-Off (B agenda)   | To approve the write-off of miscellaneous debt of £439,512.14.  | Closed  |   |

| Item no. | Date       | Directorate                            | Item   | Decision  | Status | Comments   |
|----------|------------|--|--|---|--------|--|
| 38       | 08/09/2016 | Acting Executive Director of Resources | Tron Kirk – Update Report (B agenda)   | To agree that the property would not be marketed at present in light of the practical outcome of legal considerations noted in the motion approved on 18 August 2016. | Closed |  |
| 39       | 29/09/2016 | Executive Director of Place            | Tenant Participation and Engagement Services Update – referral report from the Health, Social Care and Housing Committee | To extend the funding arrangements for the Edinburgh Tenants Federation and the Neighbourhood Alliance for a further 6 months.  | Closed | Waivers had been prepared and are with Senior Managers for sign off. The new funding arrangement would commence on 1 April 2017 and end on 30 Sept 2017. |
| 40       | 29/09/2016 | Acting Executive Director of Resources | The City of Edinburgh Council – Those Charged with Governance on the 2015/16 Audit – referral from GRBV Cttee.           | To approve the annual audited accounts for 2015/16.   | Closed |  |



| Item no. | Date       | Directorate                            | Item   | Decision   | Status | Comments   |
|----------|------------|--|--|--|--------|--|
| 41       | 29/09/2016 | Acting Executive Director of Resources | The City of Edinburgh Council Charitable Trusts – Report to those Charged with Governance on the 2015/16 Audit | 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.  | Closed |  |
| 42       | 29/09/2016 | Executive Director of Place            | Award of Contract for the Supply and Delivery of Aluminium Street Lighting Columns                             | To approve the award of contract for the supply and delivery of aluminium street lighting columns to Mallatite Limited for the duration of 2 years with the option to extend for an additional six months. | Closed | Contract was awarded to Mallatite Ltd and started on 1 Nov 2016. |
| 43       | 29/09/2016 | Executive Director of Place            | Provision of Stair Cleaning Service to Domestic Properties from 2016 - 2020                                    | 1) To approve the appointment of a framework agreement for the provision of the city-wide stair cleaning services to domestic properties, to three named providers listed in para 3.6 of the report.       | Closed |  |

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|-----------|------------|--|---|--|--------|---|
| <b>44</b> | 29/09/2016 |  |   | 2) To approve the award of the contract to the first ranked supplier, ISS UK Ltd.  | Closed | The new contract has been awarded to ISS and has been in place since 1 November 2016. |
| <b>45</b> | 29/09/2016 | Acting Executive Director of Resources | Proposed Extension at Unit 2, 72-78 Niddrie Mains Road, Edinburgh | To approve a 10 year lease extension to William Hill (Scotland) Limited of retail premises at Unit2, 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. | Closed | Lease renewal not due until November 2017. Will be completed prior to renewal date.   |

| Item no. | Date       | Directorate                            | Item  | Decision   | Status | Comments  |
|----------|------------|--|---|--|--------|---|
| 46       | 29/09/2016 | Acting Executive Director of Resources | Proposed New Lease at Unit 3 West Shore Business Centre, Long Craig Rigg, Edinburgh | 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. | Closed | Tenant withdrew.  |
| 47       | 03/11/2016 | Acting Executive Director of Resources | Capital Monitoring 2016/17 Half Year Position                                       | 1) To note the proposed prudential borrowing for Mortonhall Crematorium refurbishment investment, and remit to Council for approval on 24 November 2016.   | Closed | Report referred to Council for approval of prudential borrowing on 24 November 2016.                      |
| 48       | 03/11/2016 |  |   | 2) To refer the report to the Governance, Risk and Best Value Committee as part of its workplan.   | Closed | Report referred to Governance, Risk and Best Value Committee on 17 November 2016 as part of its workplan. |

| Item no. | Date       | Directorate                            | Item  | Decision  | Status | Comments  |
|----------|------------|--|---|---|--------|---|
| 49       | 03/11/2016 | Acting Executive Director of Resources | Revenue Monitoring 2 2016/17 – Half Year Position | To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.   | Closed | Report referred to the Governance, Risk and Best Value Committee on 17 November 2016 as part of its work programme.                                       |
| 50       | 03/11/2016 | Acting Executive Director of Resources | Treasury Management: Mid Term Report 2016/17      | To refer the report to the Council for approval and subsequent referral by the Council to the Governance, Risk and Best Value Committee for their scrutiny. | Closed | Report referred to Council on 24 November 2016 for approval and referred onto Governance, Risk and Best Value Committee for scrutiny on 22 December 2016. |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status | Comments |
|----------|------------|--|--|--|--------|----------|
| 51       | 03/11/2016 | Acting Executive Director of Resources | Approval of Framework Agreement for the Provision of Interpretation, Translation and Communication Support | To approve the awards of Lots 1,2,3 and 5 to the suppliers detailed in the report.   | Closed |          |
| 52       | 03/11/2016 | Acting Executive Director of 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, ensuring a successful City of Edinburgh Council Transformation. | Closed |          |

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| 53 | 03/11/2016 | Acting Executive Director of Resources | Award of Contract for Consultancy Services – Corstorphine Parking Survey | To approve the award of contract to 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 on 31 January 2017. | Closed | The consultant was appointed as per the decision and the work has been commissioned. It's likely that the contract period will extend beyond 31 January to allow the work to be completed, but we are on track to complete the work that was approved. |
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| Item no. | Date       | Directorate | Item  | Decision   | Status | Comments   |
|----------|------------|-------------|---|--|--------|--|
| 54       | 03/11/2016 | Place       | Receipt and Processing of Dry Recyclable Materials from Kerbside and Communal Collections – Award of Contract | To 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.  | Closed | Approved   |
| 55       | 03/11/2016 | Place       | Fleet Replacement Programme 2016/17 – Approval of Prudential Borrowing  | 1)To refer the report to Council for approval in principle of the expenditure outlined in the report be funded through prudential borrowing supported by Place, should Treasury assessment deem this to be the financing method that represented best value. | Closed | Report was referred to the Full Council meeting held on 24 November 2016 for approval of prudential borrowing. |

| Item no. | Date       | Directorate              | Item  | Decision  | Status  | Comments  |
|----------|------------|--------------------------|---|---|---------|---|
| 56       | 03/11/2016 |                          |   | 2) To agree in principle for these acquisitions to be made without additional reporting to the Council, however, still to be controlled under the rules set out in the Contract Standing Orders                           | Closed  |   |
| 57       | 03/11/2016 | Communities and Families | Systematic Support Services: Extension of Additional Support for Learning Contracts - referral report from the Education, Children and Families Committee | 1) To approve the extension of both Children's First 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.             | Closed  | Contract extended.                                |
| 58       | 03/11/2016 |                          |   | 2) To approve the extension of the 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. | Ongoing | The contract would be extended from 1 April 2017. |



| Item no. | Date       | Directorate                            | Item   | Decision  | Status                                 | Comments   |
|----------|------------|--|--|---|--|--|
| 59       | 03/11/2016 |  |  | 3) To approve 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 in secondary schools in East Edinburgh.              | Closed                                 | Contract extended.   |
| 60       | 03/11/2016 | Health and Social Care                 | Contract Awards under Urgency Procedure – Aids for Daily Living                  | To waive Contract Standing Orders and approve extending the award of contracts to the providers noted in paragraph 3.6 of the report for the period of 3 November 2016 until 31 August 2017 to allow for an alternative procurement Strategy to be undertaken.    | Closed – contracts have been extended. | A report will go to the June Finance and Resources committee setting out the short and longer term procurement position. |
| 61       | 03/11/2016 | Acting Executive Director of Resources | Proposed New Leases (x3) at Peffermill Industrial Estate, Kings Haugh, Edinburgh | 1) To approve a 15 year lease to Laurence Mackintosh Ltd of the industrial premises at Block 10b, Peffermill Industrial Estate, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing                                | Estimated completion date June 2017.   |

| Item no. | Date       | Directorate | Item | Decision   | Status  | Comments                               |
|----------|------------|-------------|------|--|---------|--|
| 62       | 03/11/2016 |             |      | 2) To approve a 20 year lease to Co-op Funeral care of the industrial premises at Block 1, Peffermill Industrial Estate, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing | Estimated completion date 1 June 2017. |
| 63       | 03/11/2016 |             |      | 3) To approve a 20 year lease to Co-op Funeral care of the industrial premises at Block 9, Peffermill Industrial Estate, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing | Estimated completion date 1 June 2017. |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status  | Comments  |
|----------|------------|--|--|--|---------|---|
| 64       | 03/11/2016 | Acting Executive Director of Resources | Land at former Dumbryden Primary School, Dumbryden Drive   | To approve 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.   | Ongoing | All debt transfers will be undertaken by 30 March 2017 on line with the year end timetable. |
| 65       | 03/11/2016 | Acting Executive Director of Resources | Proposed 25 year lease of part of Market Street Undercroft | To approve a 25 year lease to Network Rail of part of the Market Street Undercroft site, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing | Estimated completion August 2017.   |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status  | Comments  |
|----------|------------|--|--|--|---------|---|
| 66       | 03/11/2016 | Acting Executive Director of Resources | Portobello Toddler's Hut, 28 Beach Lane - Proposed Lease                   | To approve a 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.  | Ongoing | Estimated completion June 2017.                                 |
| 67       | 03/11/2016 | Acting Executive Director of Resources | Interpretation and Translation Service Transfer (B agenda)                 | To approve in principle the transfer of the Interpretation and Translation Service (ITS) to NHS Lothian by 1 April 2017, subject to the necessary stakeholder agreement. | Closed  | Briefing note circulated to F+R in January providing an update. |
| 68       | 03/11/2016 | Executive Director of Place            | Place Directorate - Proposed Changes to Chief Officer Structure (B agenda) | To approve the applications for Voluntary Redundancy (VR) as detailed in the report.   | Closed  | All actioned – closed.  |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status  | Comments  |
|----------|------------|--|--|--|---------|---|
| 69       | 01/12/2016 | Acting Executive Director of Resources | Commercial and Procurement Strategy  | To approve the Commercial and Procurement Strategy.  | Closed  | This available on the orb for staff.  |
| 70       | 01/12/2016 | Acting Executive Director of Resources | Internal Audit Co-Sourced Services   | To approve the award of contract to PricewaterhouseCoopers (PwC) for a period of up to four years between April 2017 and March 2021. | Closed  |   |
| 71       | 01/12/2016 | Acting Executive Director of Resources | Approval of Lot 4 British Sign language Services on the Framework Agreement for the Provision of Interpretation, Translation and Communication support | To retender Lot 4, following in-depth consultation with service users and other stakeholders such as BSL interpreters.               | Ongoing | Tender process ongoing and led by procurement and Social Care Service. Scheduled for late 2017. |

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| 72 | 01/12/2016 | Chief Officer -<br>Edinburgh Health<br>and Social Care<br>Partnership | Award of Contracts -<br>Innovative Approaches to<br>the Delivery of Care at<br>Home Services | To delegate authority to the Chief Officer<br>of the Edinburgh Integration Joint Board<br>(EIJB) to award contracts to the providers<br>listed in the report for the provision of<br>10% of Care at Home Services in one or<br>more of eleven neighbourhoods in<br>innovative ways for a period of three years<br>commencing on dates to be agreed with<br>each providers between 1 January 2017<br>and 31 March 2017. | Closed<br>contracts<br>have been<br>awarded. | Contracts have<br>been awarded. |
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| Item no. | Date       | Directorate  | Item   | Decision  | Status                                 | Comments  |
|----------|------------|--|--|---|--|---|
| 73       | 01/12/2016 | Chief Officer - Edinburgh Health and Social Care Partnership | Waiver - Mental Health Wellbeing Services                                  | 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 of the report from 1 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. | Closed – contracts have been extended. | There will be a future report to Finance and Resources committee in due course. |
| 74       | 01/12/2016 | Executive Director of Place                                  | Approval to Award Contracts for Unmet Taxi Demand Full and Interim Surveys | 1) To approve the award of a contract for delivery of one full demand taxi survey in 2017 to CH2M Ltd.  | Closed 19/01/17                        | Letters sent by Procurement to successful companies on 19 January 2017          |
| 75       | 01/12/2016 |  |  | 2) To approve the award of a contract for the delivery of interim taxi demand surveys during 2017 to 2018 with an option to extend up to 24 months to Vector Transport Ltd.   | Closed 19/01/17                        |   |

| Item no. | Date       | Directorate              | Item   | Decision  | Status  | Comments                                      |
|----------|------------|--------------------------|--|---|---------|---|
| 76       | 01/12/2016 | Communities and Families | New Build Nursery and Gym Hall Facility at Leith Primary School, Edinburgh - Delegated Authority for Award of Contract | 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 | Closed  |   |
| 77       | 01/12/2016 | Communities and Families | Award of Contract for the Provision of Residential Care for Young People   | To approve the award of a contract to Dean and Cauvin Trust for the provision of residential care for young people from 1 April 2017 for a period of 4 years, with the option to extend for a further period of 2 x 18 months extensions.   | Ongoing | Contract would be extended from 1 April 2017. |



| Item no. | Date       | Directorate                            | Item  | Decision   | Status                | Comments                            |
|----------|------------|--|---|--|-----------------------|-------------------------------------|
| 78       | 01/12/2016 | Acting Executive Director of Resources | Proposed 30 Year Lease of 32 Market Street, Edinburgh         | 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.                                    | Closed                | Tenant withdrew.                    |
| 79       | 01/12/2016 | Acting Executive Director of Resources | Proposed New 15 Year Lease of 173 - 175 Canongate, Edinburgh  | 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. | Ongoing               | Estimated completion date May 2017. |
| 80       | 01/12/2016 | Acting Executive Director of Resources | Lease Extension - Care Home at 23-27 Gylemuir Road, Edinburgh | To approve a two year lease extension at the 120 bed care home at 23-27 Gylemuir 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.                     | Ongoing – in progress |                                     |

| Item no. | Date       | Directorate                            | Item  | Decision  | Status  | Comments   |
|----------|------------|--|---|---|---------|--|
| 81       | 01/12/2016 | Acting Executive Director of Resources | Proposed Sale of Land at 135 Redford Road, Colinton, Edinburgh                    | 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.  | Ongoing | Estimated completion July 2017.  |
| 82       | 01/12/2016 | Acting Executive Director of Resources | Proposed Assignment and Lease Restructure - 36-39 and 45 Market Street, Edinburgh | 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. | Ongoing | Subject to funding application by Fruit Market Gallery – estimated completion December 2017. |
| 83       | 01/12/2016 | Acting Executive Director of Resources | Proposed Sale of Site at Ardmillan Terrace  | To approve the disposal of the Breast Screening Clinic site, Ardmillan Terrace, to NHSL on the main terms outlined in the report and on other terms to be agreed by the Acting Executive Director of Resources.                                 | Ongoing | Estimated completion December 2017.  |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status                 | Comments |
|----------|------------|--|--|--|------------------------|----------|
| 84       | 01/12/2016 | Acting Executive Director of Resources | Award of Contract for Provision of Managed Services for Temporary Agency Resources and Recruitment of Permanent, Fixed Term and Short Term Supply Resources (B agenda) | Contract awarded – details contained in a confidential schedule. | Ongoing – in progress. |          |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status                | Comments          |
|----------|------------|--|--|--|-----------------------|-------------------|
| 85       | 01/12/2016 | Safer and Stronger Communities         | Temporary Accommodation for Homelessness Contract (B agenda) | Contract awarded – details contained within the confidential schedule.   | Closed                | Contract awarded. |
| 86       | 19/01/2017 | Acting Executive Director of Resources | Revenue Monitoring 2016/17 - Month Nine Position             | 1) To approve in-year funding of £0.06m to take forward a pathfinder proposal that examined the potential to establish and Edinburgh-based Social Stock Exchange (SSE).  | Closed                |                   |
| 87       | 19/01/2017 |  |  | 2) To approve in-year funding of £0.3m to support the work of the Transport for Edinburgh in co-ordinating transport provision across the city and wider city region.  | Closed                |                   |
| 88       | 19/01/2017 |  |  | 3) To approve the allocation of any excess of contract deductions due over related costs incurred as a result of the PPP1 schools emergency to take forward any remedial works in Council buildings sharing similar design features. | Ongoing – in progress |                   |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status | Comments  |
|----------|------------|--|--|--|--------|---|
| 89       | 19/01/2017 |  |  | 4) To refer the report to Council to approve Spend to Save Funding of £0.575m to purchase a route management system for the Waste Service. | Closed | Report referred to Council for approval of Spend to Save Funding.                           |
| 90       | 19/01/2017 |  |  | 5) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.                                     | Closed | Report referred to Governance, Risk and Best Value Committee as part of its work programme. |
| 91       | 19/01/2017 | Acting Executive Director of Resources | Capital Monitoring 2016/17 - Nine Month Position | To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.  | Closed | Report referred to Governance, Risk and Best Value Committee as part of its work programme. |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status | Comments                                       |
|----------|------------|--|--|--|--------|--|
| 92       | 19/01/2017 | Acting Executive Director of Resources | Capital Investment Programme/Plan 2017/18 to 2024/25 | 1) To refer the report to the Council Budget Meeting of 9 February 2017 the 2017-2022 Capital Investment Programme and updated 2021-2016 indicative capital five year plan.  | Closed | Report referred to Council on 9 February 2017. |
| 93       | 19/01/2017 |  |  | 2) To note that capital resources of £20m might be available from the Capital Fund and to refer to Council for decision on 9 February 2017 in the context of infrastructure needs/priorities and existing Council commitments.                                   | Closed | Report referred to Council on 9 February 2017. |
| 94       | 19/01/2017 |  |  | 3) To note the recommended use of the additional resources to address some of Council's capital investment priorities and refer to Council for a decision on 9 February 2017 in the context of infrastructure needs/priorities and existing Council Commitments. | Closed | Report referred to Council on 9 February 2017. |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status | Comments  |
|----------|------------|--|--|--|--------|---|
| 95       | 19/01/2017 | Acting Executive Director of Resources | Council's Budget 2017/21 - Risks and Reserves                | To refer the report to Council for decision on 9 February 2017 as part of the budget setting process.  | Closed | Report referred to Council on 9 February 2017.    |
| 96       | 19/01/2017 | Acting Executive Director of Resources | 2017-18 Budget Proposals Overview of Feedback and Engagement | To refer the report to Council as part of the setting the 2017/18 revenue budget framework.  | Closed | Report referred to Full Council, 9 February 2017. |
| 97       | 19/01/2017 | Executive Director of Place            | Housing Revenue Account - Budget Strategy 2017 - 2022        | 1) To refer the 2017/18 budget, draft five year capital programme, and the rent levels for 2017/18 set out in Appendices 1 and 4 of the report to the Council budget meeting for approval. | Closed | Report referred to Full Council, 9 February 2017. |
| 98       | 19/01/2017 |  |  | 2) To approve the approach to securing a robust pipeline of development projects to accelerate further construction of affordable and low cost market housing.                             | Closed |   |

| Item no. | Date       | Directorate                            | Item   | Decision  | Status | Comments   |
|----------|------------|--|--|---|--------|--|
| 99       | 19/01/2017 |  |  | 3) To approve the development of a Housing Services Apprenticeship programme and other measures outlined in the report to support tenants and other children secure employment.     | Closed |  |
| 100      | 19/01/2017 | Acting Executive Director of Resources | Report by the Accounts Commission - Local Government in Scotland: Financial Overview 2015/16 | To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.   | Closed | Report referred to Governance, Risk and Best Value Committee as part of its work |
| 101      | 19/01/2017 | Executive Director of Place            | Housing Property Repairs and Maintenance - Award of Framework Agreement                      | 1) To approve the award of Lot 1, Asbestos Works, as part of the Framework, to Aspect Contracts Ltd and Enviraz (Scotland) Ltd at an estimated contract value of £40,000 per annum. | Closed | Contract implemented.  |



| Item no. | Date       | Directorate | Item | Decision   | Status | Comments |
|----------|------------|-------------|------|--|--------|----------|
| 102      | 19/01/2017 |             |      | 2) To approve the award of Lot 2 Electrical Works, as part of the Framework, to Response Building Maintenance Services (Scotland) Ltd, First Call Trade Services Ltd and Blackbourne Limited at an estimated contract value of £200,000 per annum. | Closed |          |
| 103      | 19/01/2017 |             |      | 3) To approve the award of Lot 3 Floor Covering Works, as part of the Framework, to Forth Furnishings Ltd, Ideal Flooring Solutions Ltd and UK Soft Furnishings LTD at an estimated contract value of £210,000 per annum.                          | Closed |          |
| 104      | 19/01/2017 |             |      | 4) To approve the award of Lot 4 Gas Repair and Maintenance Works as part of the Framework to Dalex Systems Ltd , Gas Call Services Ltd and TB McKay Energy Services Ltd at an estimated cost value of £975,000 per annum.                         | Closed |          |

| Item no. | Date       | Directorate | Item | Decision  | Status | Comments |
|----------|------------|-------------|------|---|--------|----------|
| 105      | 19/01/2017 |             |      | 5) To approve the award of Lot 5 General Building Repair Works as part of the Framework to Saltire Roofing and Building Limited, James Breck Ltd and Firstcall Trade Services Limited at an estimated contract value of £400,000 per annum.                       | Closed |          |
| 106      | 19/01/2017 |             |      | 6) To approve the award of Lot 6 Plastering Works, as part of the Framework, to Saltire Roofing and Building Limited, Response Building and Maintenance Services (Scotland) Limited and Clark Contracts Ltd at an estimated contract value of £205,000 per annum. | Closed |          |

| Item no. | Date       | Directorate | Item | Decision   | Status | Comments |
|----------|------------|-------------|------|--|--------|----------|
| 107      | 19/01/2017 |             |      | 7) To approve the award of Lot 7 Plumbing Works as part of the Framework, to Saltire Roofing and Building Limited, Response Building and Maintenance Services (Scotland) Ltd and TB Mackay Energy Services Ltd at an estimated contract value of £850,000 per annum. | Closed |          |
| 108      | 19/01/2017 |             |      | 8) To approve the award of Lot 8 Preservation Works, as part of the Framework to Steward Preservation Ltd, Clark Contracts Ltd and First Call Trade Services Ltd at an estimated contract value of £150,000 per annum.   | Closed |          |
| 109      | 19/01/2017 |             |      | 9) To approve the award of Lot 9 Roofing and Associated Works, as part of the Framework, to Saltire Roofing and Building Ltd, Apex Developments Ltd and James Breck Ltd at an estimated contract value of £202,500 per annum.  | Closed |          |

| Item no. | Date       | Directorate | Item | Decision  | Status | Comments |
|----------|------------|-------------|------|---|--------|----------|
| 110      | 19/01/2017 |             |      | 10) To approve Lot 10 Scaffolding Works, as part of the Framework, to Saltire Roofing and Building Ltd, Apex Development Ltd and Form Access Ltd at an estimated contract value of £600,000 per annum.  | Closed |          |
| 111      | 19/01/2017 |             |      | 11) To approve the award of Lot 11, Jetting, CCTV Surveys and Drainage Works, as part of the Framework, to Castlebrae Drainage (Lanes Group) and JB Bell and Company at an estimated contract value of £750,000 per annum.                          | Closed |          |
| 112      | 19/01/2017 |             |      | 12) To approve the award of Lot 12 Painting and Decorating Works, as part of the Framework, to Bell Decorating Group Ltd, Novus Property Solutions Ltd and and Mitie Property Services UK Ltd at an estimated contract value of £750,000 per annum. | Closed |          |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status  | Comments  |
|----------|------------|--|--|--|---------|---|
| 113      | 19/01/2017 |  |  | 13) To approve the award of Lot 13 Windows and Doors Replacement Works, as part of the Framework, to Response Building and Maintenance (Scotland) Ltd and H&J Martin Ltd at an estimated contract value of £225,000 per annum.       | Closed  |   |
| 114      | 19/01/2017 | Acting Executive Director of Resources | Edinburgh Shared Repairs Service (ESRS) Award of Framework Agreement | 1) To approve the award of Lot 1 – Roofing Micro Works up to £10,000 as part of the Framework to James Breck Ltd, Saltire Roofing and Building and Apex Developments Ltd at an estimated contract value of up to £500,000 per annum. | Ongoing | The contract will be live from 13 <sup>th</sup> April. A contract commencement meeting will be held with all contractors mid April. |
| 115      | 19/01/2017 |  |  | 2) To approve the award of Lot 2 – Stonework Micro Works up to £10,000 as part of the Framework to James Breck Ltd, Apex Development Ltd and Fort Stone Ltd at an estimated contract value of up to £500,000 per annum.              | Ongoing |   |

| Item no. | Date       | Directorate                            | Item  | Decision  | Status  | Comments                       |
|----------|------------|--|---|---|---------|--------------------------------|
| 116      | 19/01/2017 |  |   | 3) To approve the award of Lot 3 Roofing and Stoneworks Minor Works up to £50,000 as part of the Framework to Watson and Lyall Ltd, James Breck Ltd, Go-Wright Ltd, G Grigg and Sons and Forth Stone Ltd at an estimated contract value of £2m per annum.   | Ongoing |                                |
| 117      | 19/01/2017 |  |   | 4) To approve the award of Lot 4 Roofing and Stonework Minor Works up to £250,000 as part of the Framework to Watson and Lyall Ltd, James Breck Ltd, Go-Wright Ltd, Apex Development Ltd, G Grigg and Sons and Campbell and Smith Construction Group at an estimated contract value of £2m per annum. | Ongoing |                                |
| 118      | 19/01/2017 | Acting Executive Director of Resources | Proposed New Lease at 54 High Street, Edinburgh | To approve a new 25 year lease to the Firm of Gold Brothers of retail premises at 54 High Street, Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.  | Ongoing | Estimated completion May 2017. |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status  | Comments  |
|----------|------------|--|--|--|---------|---|
| 119      | 19/01/2017 | Acting Executive Director of Resources | Council Tax - Review of Procedure for Second Homes         | To refer the report to Council for decision on 9 February 2017 as part of the budget setting process.  | Closed  | Report referred to the Council Budget meeting of 9 February 2017. |
| 120      | 19/01/2017 | Acting Executive Director of Resources | Proposed Lease Extension at 12 Dumbryden Road, Edinburgh   | To approve a five year lease to the Kurdish Initiative of office premises at 12 Dumbryden 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. | Ongoing | Estimated completion May 2017.                                    |
| 121      | 23/02/2017 | Head of Safer and Stronger Communities | Strategic Direction for Tackling Homelessness in Edinburgh | 1) To approve the extension of three contracts from the Crisis and Complex work stream, as detailed in Appendix of the report, to 31 March 2018 with a maximum value of £1,100,000.  | Closed  | Contract extension awarded.                                       |

| Item no. | Date       | Directorate | Item | Decision   | Status | Comments                    |
|----------|------------|-------------|------|--|--------|-----------------------------|
| 122      | 23/02/2017 |             |      | 2) To approve the extension of six contracts from the Young People's Visiting Support Services, as detailed in Appendix 1 of the report, to 31 March 2018 with a maximum value of £340,000.  | Closed | Contract extension awarded. |
| 123      | 23/02/2017 |             |      | 3) To approve the extension of six contracts from the Young People's accommodation service work stream, as detailed in Appendix 1 of the report, to 31 March 2019 with a maximum value of £1,300,000.  | Closed | Contract extension awarded. |
| 124      | 23/02/2017 |             |      | 4) To approve the extension of 26 contracts from the Temporary Accommodation - Housing Support and Temporary Accommodation – Housing Management work streams as detailed in Appendix 2 of the report, to 31 March 2019 with a maximum value of £8,000,000. | Closed | Contract extension awarded. |



| Item no. | Date       | Directorate | Item | Decision   | Status | Comments  |
|----------|------------|-------------|------|--|--------|---|
| 125      | 23/02/2017 |             |      | 5) To approve the extension of 16 contracts from the Older People's Service work stream, as detailed in Appendix 2 of the report, to 31 March 2018 with a maximum value of £1,200,000.     | Closed | Contract extension awarded.                               |
| 126      | 23/02/2017 |             |      | 6) To approve the extension of one contract from the Resettlement work stream, as detailed in Appendix 2 of the report, to 31 March 2018, with a maximum value of £250,000.                | Closed | Contract extension awarded.                               |
| 127      | 23/02/2017 |             |      | 7) To agree that all contract extensions would include an appropriate break clause to give notice in the event of changes negotiated with providers, procurement and savings requirements. | Closed | Contract extension with appropriate break clause awarded. |

| Item no. | Date       | Directorate                            | Item  | Decision   | Status | Comments   |
|----------|------------|--|---|--|--------|--|
| 128      | 23/02/2017 | Acting Executive Director of Resources | Council People Strategy and People Plan 2017-2020 | 1) To approve the Council's People Strategy outlined in Appendix 1 of the report.  | Closed |  |
| 129      | 23/02/2017 |  |   | 2) To refer the report the Corporate Policy and Strategy Committee for noting.   | Closed | Report referred to the Corporate Policy and Strategy Committee on 28 March 2017. |
| 130      | 23/02/2017 | Acting Executive Director of Resources | Annual Workforce Controls Report                  | To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.  | Closed | Report referred to the GRBV Committee being held on 20 April 2017.               |
| 131      | 23/02/2017 | Acting Executive Director of Resources | Annual Treasury Strategy 2017/18                  | To refer the report to Council for approval and subsequently refer the report to the Governance, Risk and Best Value Committee for scrutiny. | Closed | Report referred to Council being held on 16 March 2017.                          |

| Item no. | Date       | Directorate                            | Item  | Decision   | Status                | Comments |
|----------|------------|--|---|--|-----------------------|----------|
| 132      | 23/02/2017 | Acting Executive Director of Resources | Winding Up of Usher Hall Charitable Trust   | 1) To approve the use of the remaining funds of the Usher Hall Trust to contribute to the purchase cost of the new grand piano at the Usher Hall.  | Ongoing – in progress |          |
| 133      | 23/02/2017 |  |   | 2) To approve the formal winding up of the Usher Hall Trust.   | Ongoing – in progress |          |
| 134      | 23/02/2017 | Acting Executive Director of Resources | Lothian Chambers and 329 High Street: Proposed Office Rationalisation – referral from the Economy Committee | To ratify the decision of the Economy Committee to dispose of both properties at Lothian Chambers and 329 High Street by way of a lease on a direct negotiated basis.  | Ongoing               |          |
| 135      | 23/02/2017 | Acting Executive Director of Resources | Contract Award for the Supply of Domestic Furniture, Furnishings and White Goods                            | To approve the direct award of a contract to TFS for the Supply, Distribution and Installation of Domestic Furniture, Furnishings and White Goods from 1 March 2017 until 31 October 2018 with Council's option to extend for up to two years. | Closed                |          |

| Item no. | Date       | Directorate                            | Item   | Decision   | Status  | Comments  |
|----------|------------|--|--|--|---------|---|
| 136      | 23/02/2017 | Executive Director of Place            | Approval to Extend the Contract for Cycle Design Schemes                     | To approve the award of the contract extension for Cycle Design Schemes to AECOM for up to the value of £158,678.  | Closed  | Contract Awarded – waiting on procurement to finalise the official documents. |
| 137      | 23/02/2017 | Acting Executive Director of Resources | Proposed Sale of Land at Niddrie Mains, Edinburgh, for Zero Waste Substation | To approve the sale of land to Scottish Power Distribution PLC 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.               | Ongoing |   |
| 138      | 23/02/2017 | Acting Executive Director of Resources | Disposal of HRA Land Adjacent to 24 Featherhall Avenue, Edinburgh            | To approve the sale of land at Featherhall Avenue to Miss Chelsea Black under the terms and conditions outlined in the report and on such other terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing | Estimated completion May 2017.  |

| Item no. | Date       | Directorate                            | Item  | Decision  | Status                | Comments                        |
|----------|------------|--|---|---|-----------------------|---------------------------------|
| 139      | 23/02/2017 | Acting Executive Director of Resources | Minute of Amendment of Servitude – Davidson’s Mains Park – Gas Main Diversion | To approve the grant of a Minute of Amendment to the existing servitude to Scottish Gas Networks on the terms outlined in the report and on such other terms and conditions to be agreed by the Acting Executive Director of Resources.   | Ongoing - in progress |                                 |
| 140      | 23/02/2017 | Acting Executive Director of Resources | Priestfield Tennis and Sports Association – Proposal for New Lease            | To approve the grant of a new lease of the tennis courts and pavilion facilities at Kirkhill Road to the Trustees of the Priestfield Tennis and Sports Association (PTSA) on the terms and conditions outlined in the report and on such other terms and conditions to be agreed by the Acting Executive Director of Resources. | Ongoing               | Estimated completion July 2017. |

| Item no. | Date       | Directorate                            | Item  | Decision   | Status  | Comments                        |
|----------|------------|--|---|--|---------|---------------------------------|
| 141      | 23/02/2017 | Acting Executive Director of Resources | Proposed Lease Extension at Thistle Lawn Tennis Club, Katesmill Road, Edinburgh | To approve a 14 year lease extension to Thistle Lawn Tennis Club of the tennis courts and associated facilities at Katesmill 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.                              | Ongoing | Estimated completion July 2017. |
| 142      | 23/02/2017 | Chief Executive                        | Council Property Companies – referral report from the Economy (B agenda)        | To ratify the decision of the Economy Committee to instruct the Chief Executive and the Board of CEC Holdings, EDI, Parc Craigmillar, Waterfront Edinburgh and Shawfair Land Limited to commence consideration and the potential implementation of Option 3 as set out in the report by the Chief Executive. | Ongoing |                                 |

| Item no. | Date       | Directorate                 | Item                                  | Decision          | Status | Comments   |
|----------|------------|-----------------------------|---------------------------------------|-------------------|--------|--|
| 143      | 23/02/2017 | Executive Director of Place | Waiver – Transfer of Waste (B agenda) | Contract awarded. | Closed | Approved and works started to award temporary contracts. |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Summary Report on Property Transactions concluded under Delegated Authority

|                   |           |
|-------------------|-----------|
| Item number       | 8.1       |
| Report number     |           |
| Executive/routine | Routine   |
| Wards             | City-wide |

### Executive Summary

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To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.

This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions outwith these parameters are reported separately to Committee.

### Links

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|                          |                     |
|--------------------------|---------------------|
| Coalition Pledges        | <a href="#">P30</a> |
| Council Priorities       | None identified     |
| Single Outcome Agreement | <a href="#">SO1</a> |



## Summary Report on Property Transactions concluded under Delegated Authority

### 1. Recommendations

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That Committee:

- 1.1 Notes the 31 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Officers.'

### 2. Background

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- 2.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

### 3. Main report

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- 3.1 Appendix 1 provides details of 31 transactions completed under delegated authority since the last quarterly report.
- 3.2 These transactions include five new leases, one lease assignment, one lease variation, eight rent reviews, and two lease renewal/extensions. These transactions will result in a minimum additional rental income of £110,711 per annum.
- 3.3 Eleven disposals and three new event/work licences have also been completed, totalling £1,912,714.

### 4. Measures of success

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- 4.1 N/A.

### 5. Financial impact

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

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

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- 6.1 There are no risk, policy, compliance or governance impacts as a result of this report.

## 7. Equalities impact

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- 7.1 Equalities and Rights Impact Assessments have been carried out on all of the enclosed transactions.

## 8. Sustainability impact

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- 8.1 There are no sustainability impacts as a result of this report.

## 9. Consultation and engagement

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- 9.1 N/A.

## 10. Background reading/external references

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- 10.1 N/A.

### 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>       | None Identified.  |
| <b>Single Outcome Agreement</b> | SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all.      |
| <b>Appendices</b>               | Appendix 1 – List of Transactions   |

## APPENDIX 1

**NEW LEASES**

| ITEM & REF NO.   | WARD                                   | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)                     | TENANT         | USE                   | TERMS  |
|--|--|---------------------|--|----------------|-----------------------|--|
| 1.<br>35/W380N/1<br>SI   | 9 –<br>Fountainbridge/<br>Craiglockart | General Property    | Unit 1 West Gorgie<br>Park, Edinburgh<br><br>775 sq ft | Alba Lifestyle | Gym/Training<br>Space | <b>Old Rent:</b> n/a<br><b>New Rent:</b> £8,400 per annum<br><b>Lease Period:</b> 16 Nov 2016 to 13 Nov 2021, and month-to-month thereafter<br><b>Payable:</b> Monthly, in advance |
| <input type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> Unit marketed at £6,500 per annum. £8,400 per annum achieved at the closing date. |  |                     |  |                |                       |  |

| ITEM & REF NO.   | WARD                     | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)                            | TENANT                          | USE       | TERMS  |
|--|--------------------------|---------------------|---|---------------------------------|-----------|--|
| 2.<br>17314/3<br>SI  | 7 – Sighthill/<br>Gorgie | General Property    | Unit 3 Broomhouse<br>Workspace,<br>Edinburgh<br><br>990 sq ft | Anglian<br>Building<br>Products | Warehouse | <b>Old Rent:</b> n/a<br><b>New Rent:</b> £10,200 per annum<br><b>Lease Period:</b> 28 Nov 2016 to 01 Mar 2017<br><b>Payable:</b> Monthly, in advance |
| <input type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> Previous tenant's lease expired. Temporary lease has been agreed to provide income whilst marketing for long term interest continues. |                          |                     |   |                                 |           |  |

| ITEM & REF NO.  | WARD       | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)   | TENANT                    | USE                         | TERMS  |
|---|------------|---------------------|--|---------------------------|-----------------------------|--|
| 3.<br>17426/4<br>SI   | 13 – Leith | General Property    | Unit 4 Bonnington Business Centre,<br>112 Jane Street,<br>Edinburgh<br><br>2,475 sq ft | Campervan Brewery Limited | Warehouse/<br>Micro Brewery | <b>Old Rent:</b> n/a<br><b>New Rent:</b> £20,520 per annum<br><b>Lease Period:</b> 4 Jan 2016 to 3 Jan 2022<br><b>Payable:</b> Monthly, in advance |
| <input type="checkbox"/> ERIA received? <b>REMARKS:</b> Previous tenant's lease terminated on expiry. Unit marketed |            |                     |  |                           |                             |  |

| ITEM & REF NO.  | WARD      | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)                                 | TENANT                        | USE       | TERMS   |
|---|-----------|---------------------|--|-------------------------------|-----------|---|
| 4.<br>21091<br>SI   | 4 – Forth | General Property    | Unit 1 West Shore Business Centre,<br>Edinburgh<br><br>2,403 sq ft | Fire Prevention Works Limited | Warehouse | <b>Old Rent:</b> n/a<br><b>New Rent:</b> £14,000 per annum, stepped up to £20,000 by Year 4<br><b>Lease Period:</b> 7 Jan 2017 to 6 Jan 2022<br><b>Payable:</b> Monthly, in advance |
| <input type="checkbox"/> ERIA received? <b>REMARKS:</b> Previous tenant's lease terminated. New 5-year lease at market rent agreed with a development break option included on the 31/05/21 in line with other existing leases in the West Shore Business Centre. |           |                     |  |                               |           |   |

| ITEM & REF NO.  | WARD       | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)                           | TENANT                                      | USE                                    | TERMS  |
|---|------------|---------------------|--|---|--|--|
| 5.<br>21265<br>DB                                       | 13 – Leith | General Property    | Duke Street Hall<br>108A Duke Street<br>Edinburgh<br>EH6 8HL | Duke Street<br>United<br>Reformed<br>Church | Hall for Gym<br>use – Leith<br>Primary | <b>Old Rent:</b> n/a<br><b>New Rent:</b> £10,658.25 for the period<br><b>Lease Period:</b> 17 Aug 2016 – 30 Jun<br>2017<br><b>Payable:</b> Quarterly |
| <input type="checkbox"/> ERIA received? <b>REMARKS:</b> |            |                     |  |   |  |  |

### ASSIGNATIONS

| ITEM & REF NO.  | WARD      | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)   | TENANT     | USE      | TERMS   |
|---|-----------|---------------------|--|------------|----------|---|
| 6.<br>ES170/3/24<br>SI  | 4 - Forth | General Property    | Unit 27/28<br>Muirhouse<br>Shopping Centre<br>Edinburgh<br><br>1,688 sq ft | Sara Zarar | Takeaway | <b>Old Rent:</b> £10,000 per annum<br><b>New Rent:</b> £10,000 per annum<br><b>Lease Period:</b> 16 Sept 2016 – 15 Sept 2021<br><b>Payable:</b> Monthly, in advance |
| <input type="checkbox"/> ERIA received? <b>REMARKS:</b> Units 27-29 have been split and the lease of Units 27-28 assigned to Sara Zarar |           |                     |  |            |          |   |

## VARIATIONS

| ITEM & REF NO.   | WARD      | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)                               | TENANT       | USE  | TERMS  |
|--|-----------|---------------------|--|--------------|------|--|
| 7.<br>ES170/3/24/<br>D1<br>SI  | 4 - Forth | General Property    | Unit 29 Muirhouse Shopping Centre,<br>Edinburgh<br><br>830 sq ft | Paulo Crolla | Cafe | <b>Old Rent:</b> £6,000 per annum<br><b>New Rent:</b> £5,000 per annum, stepped to £7,000 on 16 Sept 2017<br><b>Lease Period:</b> 15 Sept 2016 to 14 Jul 2021<br><b>Payable:</b> Monthly, in advance |
| <input type="checkbox"/> ERIA received? <b>REMARKS:</b> Mr Crolla's lease interest consolidated to Unit 29 only, as Units 27-28 have been assigned to Sara Zarar |           |                     |  |              |      |  |

**NEW LEASES – EVENTS & LICENCES FOR WORK**

| ITEM & REF NO.            | WARD            | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)               | TENANT | USE           | TERMS   |
|---------------------------|-----------------|---------------------|--|--------|---------------|---|
| 8.<br>Easter Road/Temp DB | 12 – Leith Walk | General Property    | Drying Green Area to rear of 258-260 Easter Road | Lidl   | Site Compound | <b>Rent:</b> £1,000 for the period<br><b>Lease Period:</b> 16 Jan 2017 – 5 Mar 2017<br><b>Payable:</b> In advance |

|   |                 |
|---|-----------------|
| <input checked="" type="checkbox"/> <b>ERIA received?</b> | <b>REMARKS:</b> |
|---|-----------------|

| ITEM & REF NO. | WARD           | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft) | TENANT             | USE     | TERMS   |
|----------------|----------------|---------------------|------------------------------------|--------------------|---------|---|
| 9.<br>32450 DB | 5 – Inverleith | General Property    | Miller Row<br><br>0.286 Acres      | Sundial Properties | Licence | <b>Rent:</b> £13,200 for the period<br><b>Lease Period:</b> 29 Aug 2016 – 1 Jul 2017<br><b>Payable:</b> Monthly |

|   |                 |
|---|-----------------|
| <input checked="" type="checkbox"/> <b>ERIA received?</b> | <b>REMARKS:</b> |
|---|-----------------|



| ITEM &<br>REF NO.                                       | WARD      | OWNING<br>DEPT/ACCOUNT | SUBJECTS<br>(including area in<br>sq ft) | TENANT                    | USE              | TERMS   |
|---|-----------|------------------------|--|---------------------------|------------------|---|
| 10.<br>REC/HW/D<br>44<br>DB                             | 4 – Forth | General Property       | Former football pitch<br><br>0.326 Acres | Springfield<br>Properties | Site<br>Compound | <b>New Rent:</b> £5,200 for the period<br><b>Lease Period:</b> 9 Jan 2017 – 31 Mar<br>2018<br><b>Payable:</b> Monthly |
| <input type="checkbox"/> ERIA received? <b>REMARKS:</b> |           |                        |  |                           |                  |   |

## RENT REVIEWS

| ITEM & REF NO.        | WARD       | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)   | TENANT                                       | USE  | TERMS   |
|-----------------------|------------|---------------------|--|--|--|---|
| 11.<br>ES791/11<br>IL | 13 – Leith | General Property    | Ground at 4 – 5<br>Carron Place,<br>Edinburgh, EH6<br>7RE<br><br>0.697 Acres | Frederick<br>House<br>(Charlotte)<br>Limited | Ground Lease<br><br>(Class 4/6 –<br>Two terraces<br>of industrial<br>style sheds<br>have been<br>built on the<br>ground) | <b>Old Rent:</b> £11,600 per annum<br><b>New Rent:</b> £18,300 per annum<br><b>From:</b> 1 Oct 2015 – 30 Sept 2020<br><b>Payable:</b> Half yearly, in advance |

ERIA received?

REMARKS:

| ITEM & REF NO.   | WARD       | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)  | TENANT                 | USE  | TERMS   |
|------------------|------------|---------------------|---|------------------------|--|---|
| 12.<br>ES8<br>IL | 13 – Leith | General Property    | Ground at Sandport<br>Trading Estate, 10 –<br>20 Dock Street,<br>Edinburgh, EH6<br>6EY<br><br>1.028 Acres | Aldi Stores<br>Limited | Ground Lease<br><br>(Class 4/6 –<br>Two terraces<br>of industrial<br>style sheds<br>have been<br>built on the<br>ground) | <b>Old Rent:</b> £16,300 per annum<br><b>New Rent:</b> £17,400 per annum<br><b>From:</b> 28 May 2016 – 27 May 2021<br><b>Payable:</b> Half yearly, in advance |

ERIA received?

REMARKS:

| ITEM & REF NO.                  | WARD                   | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)  | TENANT              | USE  | TERMS   |
|---------------------------------|------------------------|---------------------|---|---------------------|--|---|
| 13.<br>West Edin<br>/Temp<br>IL | 3 – Drum Brae/<br>Gyle | General Property    | West Edinburgh<br>Business Park,<br>Marnin Way, South<br>Gyle Crescent,<br>Edinburgh, EH12<br>9EB<br><br>4.79 Acres | C & W Assets<br>Ltd | Ground Lease<br><br>(Class 4/6)<br><br>The tenant is<br>in the process<br>of building a<br>phased<br>industrial<br>estate of which<br>Phase 1 is<br>complete | <b>Old Rent:</b> £434.08 per annum<br><b>New Rent:</b> £9,902.72 per annum<br><b>From:</b> 28 Feb 2017<br><b>Payable:</b> Quarterly, in arrears |

ERIA received?

**REMARKS:** Rent of the unit is increased every time more of the industrial estate is let

| ITEM & REF NO.         | WARD                            | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)  | TENANT  | USE                                      | TERMS   |
|------------------------|---------------------------------|---------------------|---|---|--|---|
| 14.<br>PEF01-U14<br>IL | 17 – Portobello/<br>Craigmillar | General Property    | Block 6, U1-4,<br>Peffermill Industrial<br>Estate, Edinburgh,<br>EH16 5UY<br><br>8,621sq ft | Saint-Gobain<br>Building<br>Distribution<br>Limited | Trade Counter<br><br>(Class 4, 5 &<br>6) | <b>Old Rent:</b> £45,000 per annum<br><b>New Rent:</b> £50,000 per annum<br><b>From:</b> 14 Jun 2016 – 13 Jun 2021<br><b>Payable:</b> Monthly, in advance |

ERIA received?

**REMARKS:**

| ITEM & REF NO.   | WARD                            | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)   | TENANT               | USE  | TERMS   |
|--|---------------------------------|---------------------|--|----------------------|--|---|
| 15.<br>17768/7<br>IL   | 17 – Portobello/<br>Craigmillar | General Property    | Unit 7 Peffer<br>Business Centre,<br>Edinburgh, EH16<br>4UZ<br><br>750 sq ft | Daniel<br>Foremiviak | Office &<br>Storage<br><br>(Class 4/6)<br><br>Building<br>Supplies | <b>Old Rent:</b> £4,560 per annum<br><b>New Rent:</b> £5,325 per annum<br><b>From:</b> 16 Sept 2016 – 15 Sept 2021<br><b>Payable:</b> Monthly, in advance |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |                                 |                     |  |                      |  |   |

| ITEM & REF NO.   | WARD                            | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)   | TENANT            | USE  | TERMS   |
|--|---------------------------------|---------------------|--|-------------------|--|---|
| 16.<br>17768/5<br>IL   | 17 – Portobello/<br>Craigmillar | General Property    | Unit 5 Peffer<br>Business Centre,<br>Edinburgh, EH16<br>4UZ<br><br>775 sq ft | James<br>Cranston | Office &<br>Storage<br><br>(Class 4/6)<br><br>Building<br>Contractor | <b>Old Rent:</b> £4,650 per annum<br><b>New Rent:</b> £5,500 per annum<br><b>From:</b> 18 Nov 2016 – 17 Nov 2021<br><b>Payable:</b> Monthly, in advance |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |                                 |                     |  |                   |  |   |

| ITEM & REF NO.   | WARD                            | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)                           | TENANT                   | USE   | TERMS   |
|--|---------------------------------|---------------------|--|--------------------------|---|---|
| 17.<br>ES779/3<br>IL   | 17 – Portobello/<br>Craigmillar | General Property    | 25 Peffer Place,<br>Edinburgh, EH16<br>4BB<br><br>0.52 Acres | The AFE<br>Group Limited | Ground<br><br>(Class 4/6)<br><br>The tenant has<br>built and<br>industrial style<br>shed on the<br>ground | <b>Old Rent:</b> £11,250 per annum<br><b>New Rent:</b> £12,800 per annum<br><b>From:</b> 1 Oct 2016 – 30 Sept 2021<br><b>Payable:</b> Quarterly, in advance |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |                                 |                     |  |                          |   |   |

| ITEM & REF NO.   | WARD                            | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)   | TENANT                  | USE          | TERMS  |
|--|---------------------------------|---------------------|--|-------------------------|--------------|--|
| 18.L1822<br>GL   | 10 –<br>Meadows/<br>Morningside | General Property    | West Meadows<br>Bowling Green,<br>Leven Terrace,<br>Edinburgh<br><br>4,356 sq ft | Meadows<br>Croquet Club | Croquet club | <b>Old Rent:</b> £200 per annum<br><b>New Rent:</b> £300 per annum<br><b>From:</b> 15 February 2017 to 14<br>February 2020 |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> Rent increased on RPI basis from commencement of lease in 2002 (not previously increased) |                                 |                     |  |                         |              |  |

**LEASE RENEWALS/EXTENSIONS**

| ITEM & REF NO.   | WARD                                | OWNING DEPT/ACCOUNT | SUBJECTS (including area in sq ft)                     | TENANT        | USE   | TERMS  |
|--|-------------------------------------|---------------------|--|---------------|---|--|
| 19.<br>16110/21<br>IL  | 6 –<br>Corstorphine/<br>Murrayfield | General Property    | 3 Pinkhill,<br>Edinburgh, EH12<br>7BA<br><br>726 sq ft | David L Scott | Industrial<br><br>(Class 4, 5 &<br>6)<br><br>Car Mechanic | <b>Old Rent:</b> £5,750 per annum<br><b>New Rent:</b> £6,250 per annum<br><b>From:</b> 2 Apr 2016 to 1 Apr 2021<br><b>Payable:</b> Monthly, in advance |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |                                     |                     |  |               |   |  |

| ITEM &<br>REF NO.  | WARD       | OWNING<br>DEPT/ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)   | TENANT                                 | USE   | TERMS   |
|--|------------|------------------------|--|--|---|---|
| 20.<br>01/T278T/2<br>9<br>IL                                       | 1 – Almond | General Property       | U29 Viewforthbank<br>Ind Est, The Loan,<br>South Queensferry,<br>EH30 9SD<br><br>3,647 sq ft | Martin<br>Armstrong &<br>Karen Barclay | Industrial<br><br>(Class 4, 5 &<br>6)<br><br>Car Mechanic | <b>Old Rent:</b> £18,000 per annum<br><b>New Rent:</b> £19,500 per annum<br><b>From:</b> 1 Nov 2016 to 31 Oct 2021<br><b>Payable:</b> Monthly, in advance |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |            |                        |  |  |   |   |

| ITEM & REF NO.   | WARD                     | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft) | PURCHASER                   | USE                                | TERMS  |
|--|--------------------------|-------------------------|--|-----------------------------|------------------------------------|--|
| 21.<br>Housing<br>Strategy<br>Project<br><br>DS                    | 7 – Sighthill/<br>Gorgie | HRA                     | 16/2 Caledonian<br>Road<br><br>54 sq m   | Mr Crawford<br>and Mrs Shaw | Private<br>residential<br>dwelling | <b>Purchase price:</b> £140,760<br><b>Date of entry:</b> 14 Nov 2016<br><b>Sale concluded:</b> 14 Nov 2016 |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |                          |                         |  |                             |                                    |  |



| ITEM & REF NO.   | WARD                            | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)            | PURCHASER   | USE                                | TERMS  |
|--|---------------------------------|-------------------------|---|-------------|------------------------------------|--|
| 22.<br>Housing<br>Strategy<br>Project<br><br>DS                    | 10 –<br>Meadows/<br>Morningside | HRA                     | 2 (3F2) Drumdryan<br>Street, EH3 9LA<br><br>51 sq m | Mr Horrocks | Private<br>residential<br>dwelling | <b>Purchase price:</b> £135,500<br><b>Date of entry:</b> 13 Nov 2015<br><b>Sale concluded:</b> 13 Nov 2015 |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |                                 |                         |   |             |                                    |  |

## DISPOSALS

| ITEM & REF NO.  | WARD                               | OWNING DEPT/ ACCOUNT | SUBJECTS (including area in sq ft) | PURCHASER  | USE                          | TERMS  |
|---|------------------------------------|----------------------|------------------------------------|------------|------------------------------|--|
| 23.<br>Housing Strategy Project<br><br>DS                                 | 9 – Fountainbridge/ Craicklockhart | HRA                  | 76 Gilmore Place<br>EH3 9NX        | Mr Beckett | Private residential dwelling | <b>Purchase price:</b> £385,000<br><b>Date of entry:</b> 21 Mar 2016<br><b>Sale concluded:</b> 21 Mar 2016 |
| <input checked="" type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> |                                    |                      |                                    |            |                              |  |

| ITEM & REF NO.  | WARD       | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)                | PURCHASER                 | USE                                | TERMS  |
|---|------------|-------------------------|---|---------------------------|------------------------------------|--|
| 24.<br>Housing<br>Strategy<br>Project<br><br>DS                           | 13 – Leith | HRA                     | 42 (3F2) Great<br>Junction Street<br>EH6 5LB<br>50 sq m | Mr and Mrs<br>Fitzcharles | Private<br>residential<br>dwelling | <b>Purchase price:</b> £103,000<br><b>Date of entry:</b> 15 Dec 2015<br><b>Sale concluded:</b> 15 Dec 2015 |
| <input checked="" type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> |            |                         |   |                           |                                    |  |

| ITEM & REF NO.   | WARD                            | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)            | PURCHASER  | USE                                | TERMS  |
|--|---------------------------------|-------------------------|---|------------|------------------------------------|--|
| 25.<br>Housing<br>Strategy<br>Project<br><br>DS                    | 15 –<br>Southside/<br>Newington | HRA                     | 16 (PF1) Montague<br>Street, EH8 9QX<br><br>66 sq m | Mr Douglas | Private<br>residential<br>dwelling | <b>Purchase price:</b> £190,150<br><b>Date of entry:</b> 30 Jun 2015<br><b>Sale concluded:</b> 30 Jun 2015 |
| <input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b> |                                 |                         |   |            |                                    |  |

| ITEM & REF NO.  | WARD                            | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)            | PURCHASER | USE                                | TERMS  |
|---|---------------------------------|-------------------------|---|-----------|------------------------------------|--|
| 26.<br>Housing<br>Strategy<br>Project<br><br>DS                           | 15 –<br>Southside/<br>Newington | HRA                     | 10 (2F2) Montague<br>Street, EH8 9QU<br><br>67 sq m | Mr Geddes | Private<br>residential<br>dwelling | <b>Purchase price:</b> £208,500<br><b>Date of entry:</b> 7 Oct 2016<br><b>Sale concluded:</b> 7 Oct 2016 |
| <input checked="" type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> |                                 |                         |   |           |                                    |  |

| ITEM & REF NO.                            | WARD                              | OWNING DEPT/ ACCOUNT | SUBJECTS (including area in sq ft)                | PURCHASER | USE                          | TERMS  |
|---|-----------------------------------|----------------------|---|-----------|------------------------------|--|
| 27.<br>Housing Strategy Project<br><br>DS | 9 – Fountainbridge/ Craiglockhart | HRA                  | 14 (PF3) Murdoch Terrace, EH11 1BB<br><br>36 sq m | Mr Greig  | Private residential dwelling | <b>Purchase price:</b> £114,151<br><b>Date of entry:</b> 22 Dec 2016<br><b>Sale concluded:</b> 22 Dec 2016 |

ERIA received?

REMARKS:

| ITEM & REF NO.                            | WARD                      | OWNING DEPT/ ACCOUNT | SUBJECTS (including area in sq ft)      | PURCHASER         | USE                          | TERMS  |
|---|---------------------------|----------------------|---|-------------------|------------------------------|--|
| 28.<br>Housing Strategy Project<br><br>DS | 15 – Southside/ Newington | HRA                  | 46 (1F2) Nicolson Street<br><br>66 sq m | Salman Alshammari | Private residential dwelling | <b>Purchase price:</b> £185,000<br><b>Date of entry:</b> 23 Jan 2017<br><b>Sale concluded:</b> 23 Jan 2017 |

ERIA received?

REMARKS:

| ITEM & REF NO.                                  | WARD                | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)        | PURCHASER   | USE                                | TERMS  |
|---|---------------------|-------------------------|---|-------------|------------------------------------|--|
| 29.<br>Housing<br>Strategy<br>Project<br><br>DS | 11 – City<br>Centre | HRA                     | 6/3 St Mary's<br>Street, EH1 1SU<br><br>71 sq m | Osman Celic | Private<br>residential<br>dwelling | <b>Purchase price:</b> £190,000<br><b>Date of entry:</b> 14 Sept 2015<br><b>Sale concluded:</b> 14 Sept 2015 |

ERIA received?

REMARKS:

| ITEM & REF NO.                                  | WARD                      | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)   | PURCHASER  | USE                                | TERMS  |
|---|---------------------------|-------------------------|--|------------|------------------------------------|--|
| 30.<br>Housing<br>Strategy<br>Project<br><br>DS | 7 – Sighthill /<br>Gorgie | HRA                     | 5 Cobden Terrace,<br>EH11 2BJ<br><br>50 m2 | Ms Whitham | Private<br>residential<br>dwelling | <b>Purchase price:</b> £141,765<br><b>Date of entry:</b> 8 Jan 2016<br><b>Sale concluded:</b> 8 Jan 2016 |

ERIA received?

REMARKS:



| ITEM & REF NO.   | WARD               | OWNING DEPT/<br>ACCOUNT | SUBJECTS<br>(including area in<br>sq ft)           | PURCHASER  | USE                                | TERMS  |
|--|--------------------|-------------------------|--|------------|------------------------------------|--|
| 31.<br>Housing<br>Strategy<br>Project<br><br>DS  | 12 – Leith<br>Walk | HRA                     | 84 (2F3) Broughton<br>Road, EH7 4JH<br><br>42 sq m | Yuxiang Gu | Private<br>residential<br>dwelling | <b>Purchase price:</b> £118,888<br><b>Date of entry:</b> 16 Sept 2016<br><b>Sale concluded:</b> 16 Sept 2016 |
| <input checked="" type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> Highest offer following open market tender |                    |                         |  |            |                                    |  |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Proposed Lease of vacant and derelict public toilets in Roseburn Park to Friends of Roseburn Park

|                          |                              |
|--------------------------|------------------------------|
| <b>Item number</b>       | 8.2                          |
| <b>Report number</b>     |                              |
| <b>Executive/routine</b> | Routine                      |
| <b>Wards</b>             | 6 – Corstorphine/Murrayfield |

### Executive Summary

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On September 2013, the Finance and Resources Committee approved that a new 25 year lease be granted to Friends of Roseburn Park (FoRP) at a peppercorn rent on condition that the tenant secured funding to refurbish the property and provide the local community with a community shelter.

As fund raising without an interest in the property has proved difficult, FoRP have requested that the lease is put in place in advance of funding being secured. The lease will be on the previously approved terms with an amendment to the use clause.

### Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition Pledges</b>        | <a href="#">P23</a> , <a href="#">P33</a> |
| <b>Council Priorities</b>       | <a href="#">CP5</a>                       |
| <b>Single Outcome Agreement</b> | <a href="#">SO4</a>                       |

## Proposed Lease of vacant and derelict public toilets in Roseburn Park to Friends of Roseburn Park

### 1. Recommendations

---

That Committee:

- 1.1 Notes the funding challenges Friends of Roseburn Park (FoRP) have encountered.
- 1.2 Approves that the proposed lease, subject to an amendment to the use clause, can be put in place subject to other terms and conditions to be agreed by the Acting Executive Director of Resources.

### 2. Background

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- 2.1 FoRP is a registered charity who have been working in partnership with the Council for several years on key issues within Roseburn Park. This includes the redevelopment of the park, flood prevention programme and development of a new ice rink.
- 2.2 The property, shown hatched on the attached plan, comprises a single storey building with pitched roof and block work construction. The building was formerly used as a public convenience until it was closed several years ago. The property is currently in a derelict state and is in need of repair.
- 2.3 The Finance and Resources Committee, on 17 September 2013, approved the lease of the property to FoRP, on a peppercorn rent, subject to raising funding for its refurbishment.

### 3. Main report

---

- 3.1 FoRP has estimated the cost of the refurbishment of the building to be £35,000. Funding will be sourced from a number of grant bodies and through fundraising events.
- 3.2 FoRP has submitted a planning application reference 17/000175/FUL following an initial grant of £1,000 from West Edinburgh Neighbourhood Partnership towards the costs of the planning application and building warrant.

- 3.3 The charity submitted an application to Transpennine Express Community and Environment Grant scheme for £5,000 on 30 November 2016.
- 3.4 However, one of the main requirements of grant funders is that FoRP has security of tenure for the building. For example, FoRP are currently excluded from applying to some of the bigger funders, such as Suez Communities Trust, until there is a signed lease in place.
- 3.5 To assist with further grant applications, FoRP has requested that the lease, as approved by Committee on 17 September 2013, is put in place subject to an amended use clause. Following a consultation and feasibility exercise, FoRP have concluded that the preferred future use of the building would be as a community café with disabled toilet facilities.
- 3.6 On completion of the refurbished building, the charity intend to invite tenders for an operator to run the community café. FoRP have already received two notes of interest from local businesses. The operator will pay an annual charge to cover the annual running costs of the property.
- 3.7 The amended main terms and conditions that have been provisionally agreed are as follows:
- Subjects: All and whole the former public toilets located at Roseburn Park;
  - Tenant: Friends of Roseburn Park;
  - Length: 25 years from conclusion of legal missives;
  - Rent: £1 per annum to reflect the proposed capital works;
  - Use: Community Café with disabled toilet facilities;
  - Repairs: Full repairing and maintenance obligation; and
  - Other terms: As contained in a standard commercial lease. FoRP will have the right to terminate the lease within 18 months from signing, and return the building to the Council, should they be unsuccessful in raising the required funding for the project.

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

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- 4.1 A derelict and unused building will be brought into beneficial use and allow FoRP to refurbish the building to form a community café with disabled toilets, which will benefit the local community.

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

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- 5.1 The rental for the public toilets will be £1 per annum to reflect the capital improvements to be carried out by FoRP.
- 5.2 The lease will relieve the Council of all property maintenance and non domestic Rates liability.

- 5.3 The Council's surveyor's fees, legal fees and costs and any additional costs arising from this transaction will be borne by FoRP.

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

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- 6.1 This is a revised lease extension due to a change in the proposed use of the refurbished former toilet block. It is considered there is little or no impact on risk, policy, compliance or governance.

## **7. Equalities impact**

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- 7.1 The improvement, refurbishment and modernisation of the public toilets will promote effective use of a derelict building (material assets) and will maintain and improve opportunities for FoRP, local community groups and members of the public to access the community café and upgraded public toilet facilities.
- 7.2 FoRP is a local community volunteer group and their aims are to improve and safeguard the Greenspace at Roseburn Park. By granting FoRP a 25 year lease it will enhance their Legal security and enable the group to seek grant funding to renovate the building and provide a community café which will improve Individual, family and social life in the local community. The physical security of CEC asset will be enhanced through occupation and repair of the building.
- 7.3 Leasing the building to FoRP 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.

## **8. Sustainability impact**

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

## **9. Consultation and engagement**

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- 9.1 FoRP co-ordinated and undertook a Feasibility Study in April 2016. The group distributed flyer through the door of the local community, the group offered a number of suggestions for the building and community café received the most support from the local community.

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

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- 10.1 N/A

## Hugh Dunn

Acting Executive Director of Resources

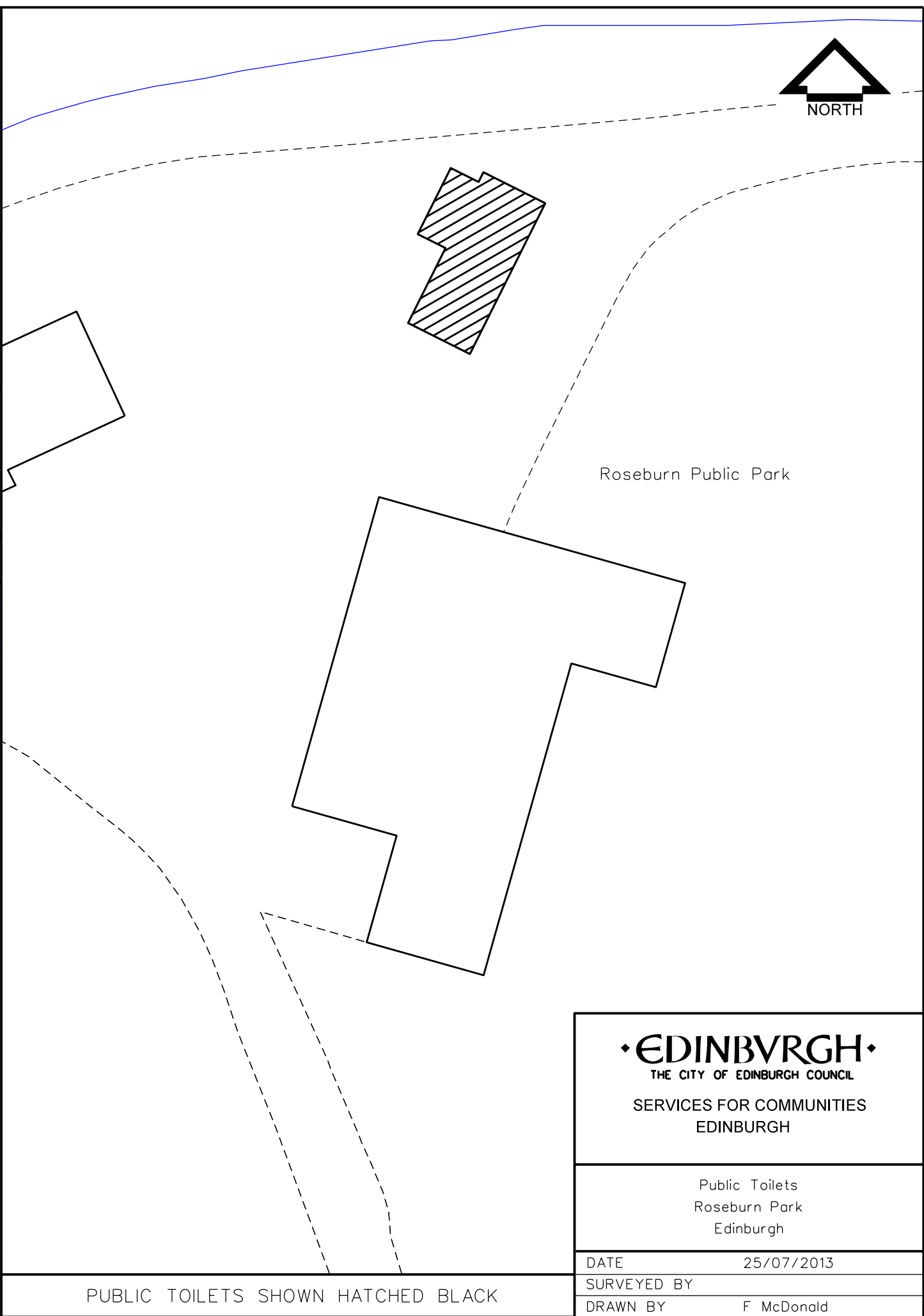
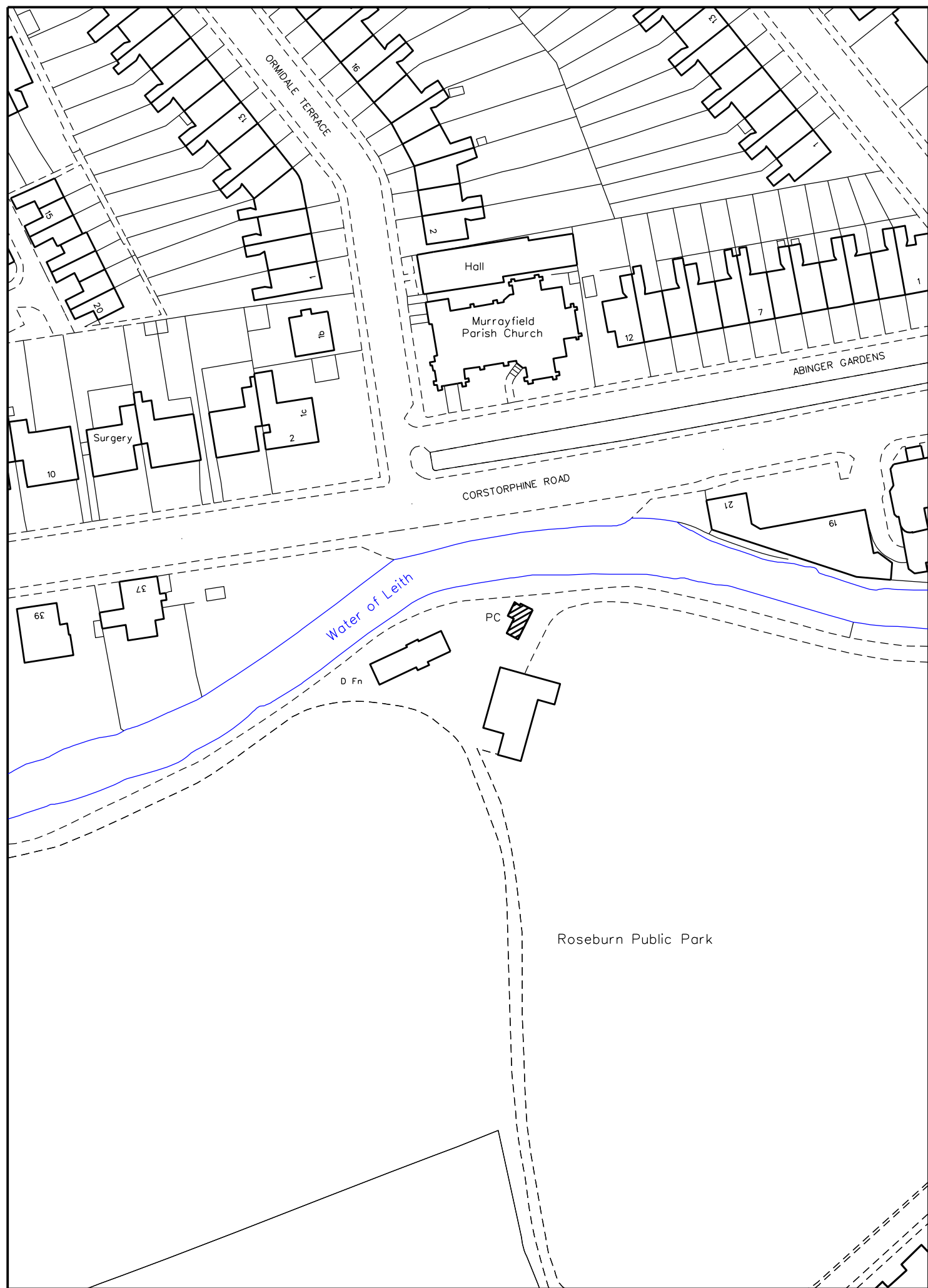
Contact: Contact: Deborah Bruce, Estates Surveyor

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>        | P23 – Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties.<br>P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used. |
| <b>Council Priorities</b>       | CP5 – Business growth and investment.  |
| <b>Single Outcome Agreement</b> | SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.  |
| <b>Appendices</b>               | Appendix 1 – Location Plan.<br>Appendix 2 – Business Plan/Feasibility Study from Friends of Roseburn Park  |



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:250

**• EDINBURGH •**  
 THE CITY OF EDINBURGH COUNCIL  
 SERVICES FOR COMMUNITIES  
 EDINBURGH

|  |                    |
|--|--------------------|
| Public Toilets<br>Roseburn Park<br>Edinburgh |                    |
| DATE   | 25/07/2013         |
| SURVEYED BY                                  |                    |
| DRAWN BY                                     | F McDonald         |
| SCALE  | Plan to scale @ A3 |
| NEG. NO.                                     | NT 2273/A3/1378    |

PUBLIC TOILETS SHOWN HATCHED BLACK

**Business Plan**  
**For conversion of**  
**Toilet Block**  
**to Café with Public Toilet**  
**in Roseburn Park**



BEFORE



AFTER

Pete Gregson  
Chairperson  
Friends of Roseburn Park [SCIO]  
Scottish Charitable Incorporated Organisation #SC044659  
[www.friendsofroseburnpark.org.uk](http://www.friendsofroseburnpark.org.uk)  
28<sup>th</sup> Sept 2016



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## SUMMARY

The Roseburn Park toilet block is degenerating and either needs to be demolished or refurbished. The Friends of Roseburn Park (FORP), a charity committed to improving the park for all users, would like to refurbish the building and let it to a local entrepreneur who would run it as a business. The refurbished building would contain a café and a public toilet with a separate door opening directly onto the park. The café owner would be responsible for keeping the toilet clean and open when the café was open, which would be at a minimum of 5 days a week, from Wednesday to Sunday, but more likely 7 days.

Given the current state of the building, the new use will help to generate an activity stream, breathing life back into the building which will indirectly sustain its upkeep and longevity. It is well known that if a building has a viable purpose with a sustainable use, the building is more likely to be properly maintained in the future. Without this refurbishment work, the building is likely to fall into a further state of dereliction and become hazardous to park users.

FORP seek to apply for a lease on the building and will obtain grant funding to undertake the required improvement works. FORP believe that if appropriate care and attention is given to the refurbishment of this historical shelter and it is reinstated to its former glory, then it will stand to represent the aspirations, the care and the energy that has been invested in the area by the FORP community group. The building will house a café and public toilet which the community wants, will accommodate FORP for meetings and generate revenue for park improvements. It will service the growing needs of the various groups who use the park now and in years to come.

## Location



Roseburn Park sits on the Water of Leith and in 2000 was the site of a flood which created millions of pounds worth of damage and wrecked many homes. The Council has commenced Phase 2 of the Flood Prevention Scheme for the Roseburn/Murrayfield stage, which is a £22M scheme to build flood walls and make changes to the land form, the better to protect residents from future flooding.

This has led to the park becoming a building site in a scheme that will take two years to complete. The site contractors, McLaughlin & Harvey, commenced work in January on the construction of 1.2km of flood defences at Murrayfield. The works will include structural walls and earth embankments, flood gates, pumping stations, drainage and the construction of two new bridges to replace the bridges at Baird Drive and Saughtonhall Avenue. Site work commenced in February 2016.

The Flood Prevention Programme will make the park a building site for the next two years; when concluded, the park will look quite different and in anticipation of this, the FORP have undertaken a consultation with residents and park users around how the park might be improved. The resulting improvement plan (see Appendix) must be put to Planning Committee for approval. The plan is to fundraise some £250,000 to implement these changes over the next five years. At present FORP are fundraising the £5,000 needed to appoint landscape architects RPS to take the plans through Committee. A further sum will be raised to engage the contractors to provide community benefit to assist in the delivery of the Plan.

Here is the current version of the plan, based on how the park will look when the floodworks are concluded; the FORP improvements are marked in orange



The park has always been used for sports; 100 years ago it was for polo, before the first rugby union ground was constructed in the 20s. This became the SRU Murrayfield Rugby Stadium in the early 80s. There were historically two cricket pitches formed in 1900 and the park continues to be used extensively by sports groups including Murrayfield-DAFS cricket club who use the adjacent Roseburn Park Armoury building; keeping up the historic tradition of the sport in the park. Edinburgh Leisure let the changing pavilion and the three pitches to cricket, rugby and football clubs.

The Friends of Roseburn Park commissioned: a mural on the East elevation of the armoury, and an all-weather table tennis table and chess table located on the hard-standing. Entrances are heralded by flower beds. A clock on the sports pavilion helps children know when to go home. Railings have been painted by volunteers; daffodil bulb-planting organised with pupils from Roseburn Primary school. These small, but significant improvement works in Roseburn Park instigated by FORP suggest a feeling of pride in the area and help to crystallise a real sense of place, capturing the essence and spirit of a community's identity with its surrounding environment. This type of '*investment in locus*' made by the Friends of Roseburn Park will ensure the park continues to be enjoyed by local residents, social groups and visitors to the area. FORP organise community events such as fun days and carol singing, which they use to generate income to pay public liability insurance, for consultation and architects fees; room bookings, publicity, etc. (See examples of flyers in Appendix)

## The Wanderers

Change is afoot. The Murrayfield Wanderers rugby club are leaving the SRU and seek a new base. They need a pavilion/changing rooms and pitches and their first choice is to seek these in Roseburn Park. They hope to convert the Armoury building, next to the toilet block.

ForP have the title deeds to the park. They are important in that they lay down what can and cannot be built in the park. The land was transferred in two parts – in 1898, the first tranche of land was passed to the Council by the Balfour family and the deeds can be viewed here:

[www.friendsofroseburnpark.org.uk/files/2016/06/TitleDeeds\\_1898.pdf](http://www.friendsofroseburnpark.org.uk/files/2016/06/TitleDeeds_1898.pdf) The second tranche of land was transferred in 1906 and the deeds can be downloaded at [www.friendsofroseburnpark.org.uk/files/2016/06/TitleDeeds1906.pdf](http://www.friendsofroseburnpark.org.uk/files/2016/06/TitleDeeds1906.pdf)

The site of the Armoury and toilet block falls into the 1906 deeds. These deeds contain the following phrase:

[The Council or anyone else] shall not be entitled to erect on the area of ground hereby disposed any buildings of any description except Pavilions Shelters Bandstands or buildings of a similar nature and such as may be required in connection with the said area of ground which is disposed for the purpose of being used by my said disponees solely as and for a public park and for the uses for which the public parks in the city may be applied and for no other use or purpose whatever.

A pavilion, in the online dictionary, is defined as "...a light, usually open building used for shelter, concerts, exhibits, etc., as in a park or fair." This would suggest that the 2 storey clubhouse that the Wanderers seek on the site of the Armoury with bar, gym, offices, etc would not be in keeping with the deeds and the conditions upon which the land was gifted to the Council.

FORP aim to work with the Wanderers to meet the conditions of the deeds by encouraging them to utilise buildings currently erected in the park- for example, to modify and use the existing pavilion and to develop an appropriate 1-storey building on the site of the Armoury.

It is clear that a new-build café could not be construed as being “required in connection with the said area of ground”. However, if a café were to be established in a building that was already erected then FORP feels that would not breach the terms of the deeds. We therefore consider that converting the toilet block for café use, with the continuing provision of the public toilet element, would be in keeping with the understanding that was set by the benefactors when the land was transferred to the Council.

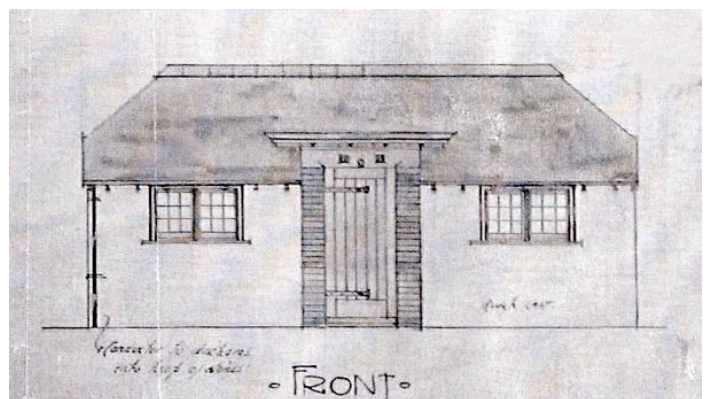
## History of Toilet Block

The staff shelter and tool store was built circa. 1903 by the City Architects Department and used as a bothy by the park keepers. The building was later converted for use as a public toilet in 1936 having the open air lavatories roofed over and replaced with WC cubicle compartments. The building has largely been unoccupied in recent years and has been used predominantly for storage.

The toilet block refurbishment would be one of the first projects to be undertaken and our architect, Craig Proudfoot of One Foot Square, has estimated a refurbishment cost in the region of £35,000. (Demolition would cost £10,000). FORP will raise these costs from the Heritage Lottery Enterprise Fund and other sources.



Toilet block as it was in 1905, then a tool store



From original 1903 drawing



Toilet Block now- the roof slates are missing and plants have taken hold; the cladding is shedding

## Background

When FORP last sought Council support for the toilet block conversion, it was assumed that the Council would not allow it to be used commercially as a cafe, and so the proposal three years ago was for it to become a community “hub”.

Following Council approval, and on exploring the lease on offer, the FORP Board of Trustees concluded they were taking on a building that there would be very little demand for. The Board felt there were already plenty of meeting rooms in the area (for hire at around £40 for the evening) - at the Murrayfield Parish Church, at the Ice Rink in the upstairs suite and at the Masonic hall on Roseburn Gardens. The Board therefore came to the view that to expend two years fundraising for £35,000 and refurbishing a building that would be seldom used, but would require to be maintained was to create a burden that would:

- a) not improve the amenity of the park by much and
- b) use up all FORP’s energy when what FORP wanted to do was make the park a better place and
- c) require maintenance of a building that was seldom used.

## A Cafe for Roseburn

Therefore, the FORP Board concluded that the best thing to do would be to get the block demolished. At the January West Edinburgh Neighbourhood Partnership meeting, the FORP Chairperson indicated that this was now the plan, but mentioned that it would be unfortunate, for what the community really needed there was a cafe. It was then that the Environmental Neighbourhood Manager, Dave Sinclair, suggested that it actually might be possible to allow the block to be let commercially, citing examples from East London St and the Hermitage as examples of disused Council buildings on park land that had been refurbished and let to commercial operators.

FORP decided to explore whether there was interest in this from any local businesses and so advertised in their first local newsletter about the Park flood prevention scheme. There was immediate interest from two businesses and on the back of this, FORP decided to seek support from the Council Estates Dept. It was intimated that a Business Plan was required if permission was to be explored by the Council.

It was clear that the Feasibility Study that was presented to Council Committee some two years ago would now be out of date and so FORP commissioned the same architect to work with the two businesses on a redesign of the floor plan. A key proviso was that the toilet block should house not only a cafe but a public toilet too. The revised floorplan that resulted can be seen below.

## A New Public Toilet

The logic of this was that there were no toilets in the area and on numerous occasions when running events, FORP had been called upon to provide a toilet. On reflection, it appeared that it would be best if the toilet had a separate door to the outside and would therefore not require users to enter the cafe in order to use the toilet. The advantages of this are twofold: a) users do not need to seek permission to go to the toilet b)

the cafe proprietor could, if needs be, lock up the cafe if necessary to go for supplies, thus leaving the toilet open for use.

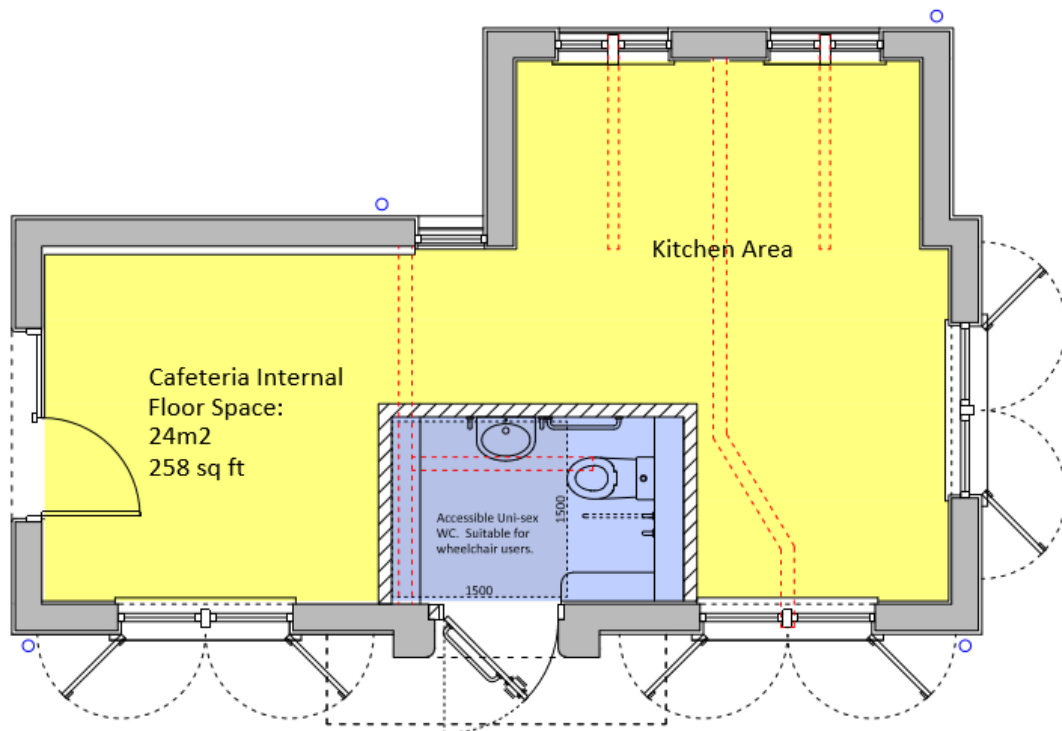
The cafe proprietor would be expected, as part of the lease, to maintain and clean the toilet. However, it would be unreasonable to keep the toilet open 24 hours a day, since the potential for the toilet to be ill-used or vandalised at night would be significant. It was therefore agreed that the toilet would be opened when the business opens for trade. The cafe lease will require the toilet to be open for use 5 days a week at least, from the hours of 10am to 4pm. Since there would likely be most trade at weekends, it is anticipated the proprietor would open the cafe those days. The two days of closure would most likely be Monday and Tuesday.

However, there is a strong likelihood that the proprietor would choose to employ sufficient staff to keep the cafe open 7 days a week. It is most likely that the 7-day-a week arrangement would run through the summer months, from May until October.

To conclude, the minimum time the toilet would be open to the public would be six hours per day, 5 days a week- these being Wed, Thurs, Fri, Sat and Sunday. That is a total of 30 hours a week minimum. Should the proprietor choose to open on Mondays and Tuesdays as well, or to open earlier or close later (eg if it chose to provide evening meals) , then the toilet opening time would only increase. It would be a toilet for cafe users, also, so that if the cafe were open, the toilet would be open. But it needs to be noted that should the cafe proprietor be called away for any reason then the toilet would need to be left open, if it were between the hours of 10 and 4 on a Wed to Sunday.

There is the risk that there will not be enough trade in the winter months to keep the café open. That being the case, the café proprietor may decide, if economy demanded it, to only open the café from May till October. If that were to happen, FORP would not demand that the public toilet be made available in the winter months. However, the proprietor would still be expected to pay the monthly building rent.

## The Proposed New Floorplan



In addition, and as part of the wider vision for the Park, FORP will aim to site cycle parking hoops (for cycling customers) by the cafe, along with outdoor seats (chosen in consultation with elderly users) and an outdoor covered shelter something like this:



These facilities must form part of a planning application and must also be fundraised for. Our aim is that these would be in place for the opening of the cafe. These facilities will add both to the amenity of the park and will allow cafe users to make use of space in addition to that outlined for customers in the floor plan.



It should be noted that FoRP has already negotiated with the Council the provision of two picnic tables near the toilet block, which are now in situ, that would be suitable for cafe users. There will also be passing trade-those users who will buy something to take away.

Pulling all these extra facilities together will mean that the cafe will be able to service the needs of many more customers that could be seated in the cafe indoor space.

## The Rent and Terms of Lease

The FORP Committee propose a rental of £10/square foot per annum, which will, at 258 sq ft in floor area, total £2,580 per annum, or £49.62 per week. This figure is based both on the market rental rates of retail units in the area, with the burden of running a public toilet in addition taken into consideration. No rental would be charged on the public toilet element.

FORP would seek a lease from the Council of 25 years from the date of entry, with a rent of £1 pa. Given the challenge and risk involved, FORP would like annual break options for the first 5 years, and the option to break at each five-yearly rent review over the term of the lease. FORP would be responsible for Non – Domestic Rates and would call upon the tenant to bear this cost. The property will have to be assessed for rateable purposes by Lothian Valuation Joint Board. FORP estimate that this might result in a rateable value of £2,000. At current rates of 50p in the £, FORP estimate this would amount to £1,000 per year, or £20 per week.

FORP would seek a Full Repairing and Insuring (FRI) Lease.

The sublet to the café proprietor would, in turn, be on similar FRI terms. That lease would be for an initial 5-year term with an option of a regular 5-year extensions. The proprietor would be obliged (at the proprietor's own expense) to keep the premises in good and substantial repair and in tenantable condition at all times during the currency of the lease, and should leave the premises in good and substantial repair and in tenantable condition at expiry or earlier termination of the lease, consistent with due performance of all the tenants obligations under the terms of the lease.

It is understood the Council will pay the annual premium for the Buildings Insurance and associated risk (Fire, Lightning, Aircraft, Explosion, Riot and Civil Commotion, Earthquake, Impact Damage by 3rd Party, Malicious Damage, Storm and Flood).

It is noted that the Council's insurance policy does not cover

- (a) Glass,
- (b) Sub - Tenant's fixtures, fittings and Improvements,
- (c) Sub - Tenant's Contents including all furniture
- (d) Damage in course of theft or attempted theft,
- (e) Occupier's liability.

It will therefore be FoRP and the sub-tenant's responsibility to arrange such insurances. In this case the café proprietor, whose insurance must include the public toilet.

Should either the FORP or the café proprietor seek to carry out Work and Alterations, non-structural alterations will be allowed subject to obtaining written Council consent, not to be unreasonably withheld.

The tenants (FORP) would be permitted to assign the lease of the whole of the subjects with the Council's consent (not to be unreasonably withheld), but not to assign part of the lease of the subjects in any circumstances;

It will be the café proprietor's obligation to ensure that all statutory requirements for operating within the premises are met.

This includes but not limited to

1. DDA 1995
2. Asbestos Management
3. Environmental Issues
4. Health & Safety Act and Other Issues
5. Fire (Scotland) Act 2005

FORP will be responsible for the all legal costs and fees arising from the Transaction including the Council's fees.

FORP will be responsible for any Registration Dues in the normal manner if required.

FORP will pay a Surveyor's fee of £250 prior to the date of entry to the Council's Director of Services for Communities.

## The Future Proprietor

All those seeking to take on the lease live or work locally. FORP would prefer the cafe to be taken on by a business where the owner had catering experience. The favoured proprietor at present is the owner of Art et Facts in Roseburn Place, who was the first to indicate a desire for the lease. The owner, George Rendall, previously ran a successful pizzeria for the customers of the highly regarded Fire Island disco at 128 Princes St (Fire Island was forced to close in September 1988 when the owners of the Princes Street building sold the premises to the Waterstones chain of bookstores).

Should Art et Facts pull out, the owner of Vigo's Deli in Roseburn Terrace has indicated an interest in taking on the lease. Should both those agencies withdraw, there are three sets of two residents who have indicated a desire to take on the lease.

The FORP Committee would reserve the right to use the building for its monthly evening meetings, on the understanding that they would do so only when the cafe was otherwise closed.

## The Income Accruing from the Let

If the Council held to a peppercorn rent of £1 pa, then FORP, a registered charity, would make a profit on the let of £2,579 pa. This income would be used to:

- cover FORP's running costs,
- pay for maintenance or redecoration of the premises should the lease fail or the proprietor pull out of the lease, thus ensuring a new business was found to take on the building.
- any remaining profits would be used to
  - o fund maintenance costs elsewhere in the park, should the Council find itself strapped for cash.
  - o subsidise community events or ,
  - o as part of a new FORP capital fund, help pay for other park improvements.

FORPS objects are:

“The provision of recreational facilities, or the organisation of recreational activities with the object of improving the conditions of life for the public and users of the green space known as Roseburn Park in the City of Edinburgh.”

- and any income would go towards meeting those objectives.

Since the funding would be below the VAT threshold, there would be no need for FORP to become VAT registered, although it is assumed that proprietor would pay VAT if that was applicable.

## Market - demand

FORP carried out a local consultation on a wide range of improvements proposed for the park. The survey seeking residents views was made available online from 1 April 2016 and closed on 15 April 2016. In hard copy 1,000 fliers were distributed in the local area, and an online version of the survey was promoted widely through Friends of Roseburn Park's Facebook page and website. The survey was also promoted through the local April edition of the newsletter Murrayfield Grapevine and the Edinburgh Evening News (see cutting in appendix). Both online and hard copy versions were accompanied by a plan of the park marking various ideas to date. There were 141 responses; of these the percentage identifying with various kinds of park user was as follows:

Dog Walker 19%, Cyclist 29%, Pedestrian 72%, Jogger 13%, Play team sport 6%, Playground user 23%, Home overlooks park 21%, Other 14%

### Rating of main ideas

Respondents were asked to rate each idea with one of: Love It, Like It, Don't Mind It, Have Doubts, Dislike It. The table below combines Love It and Like It, and it combines Have Doubts and Dislike It. It is in descending order of popularity (Love or Like).

The top 3 of the 20 changes mooted were these:

|   | Num. who answered | % Love or Like | % Don't Mind | % Doubt or Dislike |
|---|-------------------|----------------|--------------|--------------------|
| Refurbish toilet block into café with public toilet | 141               | 89             | 4            | 7                  |

|   |     |    |    |   |
|---|-----|----|----|---|
| Public shelter with seating near the cafe         | 138 | 80 | 12 | 8 |
| New play park in sunny northeast corner for 2-12s | 99  | 80 | 17 | 3 |

The café is clearly the most popular of all the improvements proposed, scoring 89% in favour.

Some comments:

“Cafe would bring the place to life and change the ambience for the better. Really want it to be a lovely green space in an urban environment.”

“Have reservations that a cafe in the park will be cost effective, perhaps only during summer.”

“Some doubts about whether there will be enough trade to sustain a cafe business all year round”

“Not sure of financial viability of café but love the idea. “

“Great to have the cafe in the park, ideally with some outside space to sit with a coffee in the sunshine.”

## The demographics

Extract from 2011 Census, showing population in area around Roseburn Park. Of the 4,573 households around the park, almost 60% are owner-occupied and over 20% are renting from private landlords. Whilst the average proportion of pensioners is around 12% in the city, in Roseburn & Murrayfield it is over 18%; there are many elderly people. Car ownership is 6% higher than average, again confirming the relative affluence of the area. These people with money and time on their hands will be the target market for the café.

In addition, there are many sports teams that use the park – the Roseburn Primary School football club (every Saturday morning), the Murrayfield DAFS (many afternoons and evenings), various lets on Saturday and Sundays to football and rugby teams; Hearts FC practise occasionally through the week: all these players – and parents of players- will likely use the café.

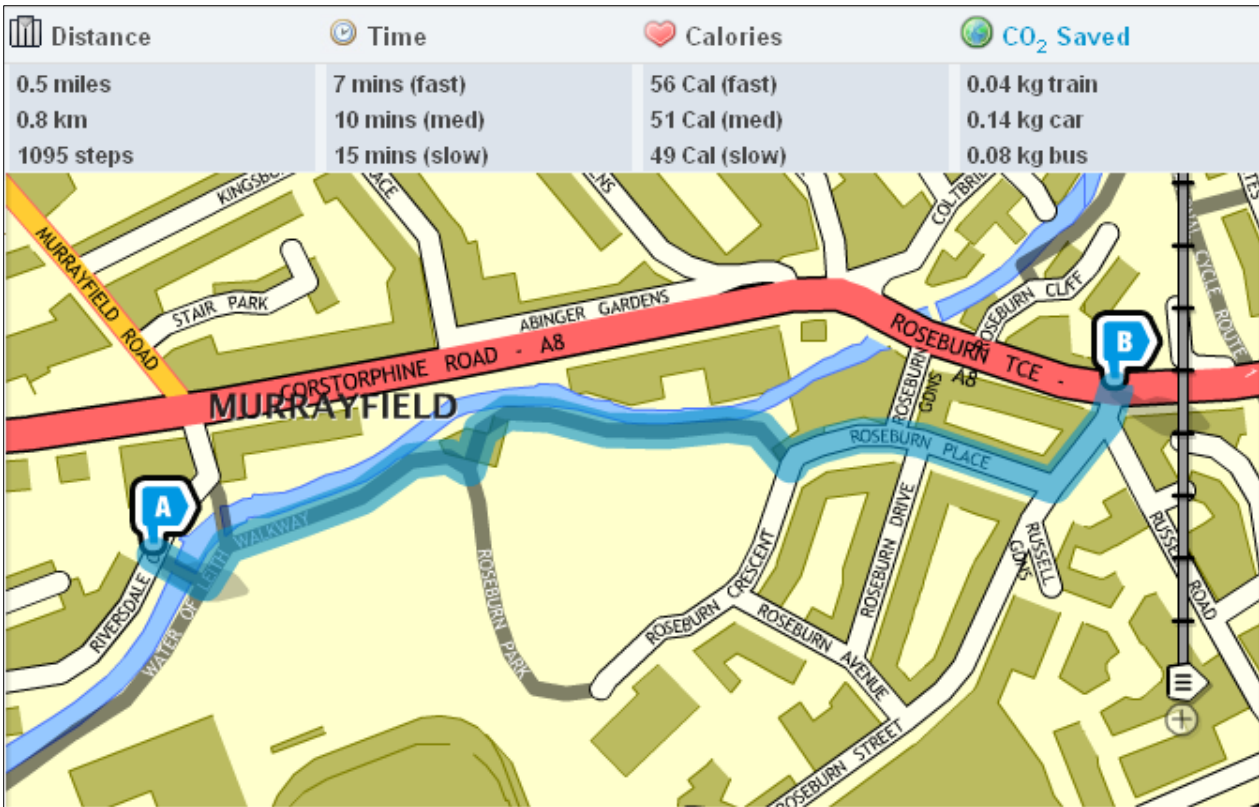
There is also a constant flow of dog walkers, elderly people and cyclists through the park. (It is a main thoroughfare on the Water of Leith cycle route, with cyclists travelling through the park to get from the West of the city to destinations East, North and South.

There is a footfall recording device in the middle of the park. Its data output over the period Apr-Nov 2015 indicated about 450 cycle journeys a day. Foot journeys over the same period average 1800 a day.

| Key statistics                     |        |           | Age structure                     |        |           |                          |        | Household composition                 |       |        |      |
|------------------------------------|--------|-----------|-----------------------------------|--------|-----------|--------------------------|--------|---------------------------------------|-------|--------|------|
| Total Population                   | 9,553  |           | Total                             | Male   | Female    | % Total                  | Edin % | Hholds                                | %     | Edin % |      |
| Males                              | 4,493  |           | 0 to 4                            | 473    |           | 5.0                      | 5.5    | Total households                      | 4,573 |        |      |
| Females                            | 5,060  |           | 5 to 11                           | 553    |           | 5.8                      | 6.0    | 1 Person: Pensioner                   | 841   | 18.4   | 11.8 |
| Households                         | 4,573  |           | 12 to 15                          | 384    |           | 4.0                      | 3.7    | Other                                 | 1,010 | 22.1   | 27.3 |
| Persons in households              | 9,243  |           | 16 to 24                          | 810    |           | 8.5                      | 15.1   | 1 Adult plus children                 | 102   | 2.2    | 4.5  |
| Average household size             | 2.0    |           | 25 to 44                          | 2,495  |           | 25.8                     | 31.6   | 2 Adults, no children                 | 1,505 | 32.9   | 30.9 |
| Persons in communal establishments | 310    |           | 45 to 64                          | 2,695  |           | 28.2                     | 23.8   | 2 Adults plus children                | 816   | 13.5   | 12.2 |
| Area (ha)                          | 392    |           | 65 to 84                          | 1,711  |           | 17.9                     | 12.3   | 3+ Adults, no children                | 380   | 7.9    | 10.4 |
| Density (persons/ha)               | 24.4   |           | 85 plus                           | 482    |           | 4.8                      | 2.1    | 3+ Adults plus children               | 139   | 3.0    | 2.9  |
|                                    |        |           | Total                             | 9,553  | 4,493     | 5,060                    |        |                                       |       |        |      |
| Household tenure                   |        |           | Household size by number of rooms |        |           |                          |        | Household size by number or residents |       |        |      |
|                                    | Hholds | % Edin %  |                                   | Hholds | % Edin %  |                          | Hholds | % Edin %                              |       |        |      |
| All Households                     | 4,573  |           | All households                    | 4,573  |           | All households           | 4,573  |                                       |       |        |      |
| Owner occupied                     | 3,501  | 76.6 58.9 | 1 room                            | 12     | 0.3 0.8   | 1 person                 | 1,851  | 40.5 39.1                             |       |        |      |
| Shared ownership                   | 37     | 0.8 0.6   | 2 rooms                           | 109    | 2.4 6.3   | 2 persons                | 1,588  | 34.3 33.5                             |       |        |      |
| Rented:                            |        |           | 3 to 4 rooms                      | 1,862  | 40.5 49.6 | 3 to 4 persons           | 1,005  | 22.0 23.5                             |       |        |      |
| Council                            | 127    | 2.8 9.1   | 5 to 6 rooms                      | 1,412  | 30.9 30.0 | 5 to 6 persons           | 143    | 3.1 3.7                               |       |        |      |
| Other social                       | 109    | 2.4 7.9   | 7+ rooms                          | 1,188  | 26.0 13.4 | 7+ persons               | 6      | 0.1 0.3                               |       |        |      |
| Private /lord                      | 74     | 1.6 22.4  |                                   |        |           | Edin.                    |        |                                       |       |        |      |
| Living rent free                   | 75     | 1.6 1.1   | Average number of rooms/hh        | 5.4    | 4.6       | Overcrowded hh spaces    | 38     | 0.8 2.4                               |       |        |      |
|                                    |        |           |                                   |        |           | Under occupied hh spaces | 2,275  | 49.7 30.8                             |       |        |      |
| Car availability                   |        |           | Transport to work                 |        |           |                          |        | Dwellings                             |       |        |      |
|                                    | Hholds | Edin      |                                   | No.    | % Edin %  |                          | No.    | % Edin %                              |       |        |      |
| Households                         | 4,573  |           | Rail                              | 81     | 2.0 2.2   | Dwellings                | 4,784  |                                       |       |        |      |
| % Hholds with:                     |        |           | Bus                               | 1,109  | 27.9 28.6 | Hhold spaces             | 4,784  |                                       |       |        |      |
| 0 car                              | 25.6   | 39.9      | Car - drive                       | 1,709  | 43.0 41.0 | Vacant                   | 148    | 3.1 2.2                               |       |        |      |
| 1 car                              | 48.7   | 42.7      | Car - passenger                   | 105    | 2.6 3.5   | 2nd residence            | 43     | 0.9 0.9                               |       |        |      |
| 2 cars                             | 20.7   | 14.6      | Motorcycle                        | 14     | 0.4 0.5   | Detached                 | 654    | 13.7 10.4                             |       |        |      |
| 3 cars                             | 3.7    | 2.2       | Bicycle                           | 213    | 5.4 4.8   | Semi-detached            | 510    | 10.7 12.8                             |       |        |      |
| 4 or more cars                     | 1.3    | 0.6       | Foot                              | 679    | 17.1 18.2 | Terraced                 | 956    | 20.1 12.7                             |       |        |      |
|                                    |        |           | Other                             | 69     | 1.7 1.2   | Flats/tenement           | 2,644  | 55.5 64.1                             |       |        |      |
|                                    |        |           |                                   |        |           | Ground tenement          | 0      | 0.0 0.0                               |       |        |      |

## The competition

The closest cafes are on Roseburn Terrace. The nearest is 0.5 km away. Many elderly people use the park and walk slowly. It would take them about 12 minutes to walk to a café that was not in the park.



Appendix- News Cutting & Events flyers

# Edinburgh News EVENING

Roseburn Park revamp includes public toilet cafe, BMX track

An 80-year-old oak tree is felled at Roseburn Park during flood prevention works last month. Picture: Scott Taylor

IAN SWANSON, Tuesday 05 April 2016



## **A PUBLIC toilet converted into a cafe, a BMX track, an outdoor gym and a brand new playground are among the plans for a new-look Roseburn Park drawn up by residents.**

The proposed revamp comes as flood prevention works costing £25 million get under way on the stretch of the Water of Leith bordering the park. Some of the trees felled to make way for the new flood barrier would be used to create seats at the park entrances.

The vision has been put together by the Friends of Roseburn Park and a consultation is under way with a residents' survey and a public drop-in event on Wednesday next week at Roseburn Primary School from 5pm to 8.30pm.

The centrepiece is the plan to convert the existing disused public toilets into a cafe.

Friends chairman Pete Gregson said: "Kids do football training on a Saturday morning and there are parents standing around, but there's nowhere to get a cup of coffee. Older people go for walks in the park, but you can't get a cup of tea." He said they hoped to lease the toilets from the council, an architect was working on designs for the cafe and a couple of local businesses were interested in taking it on.

Mr Gregson said the existing playpark, in the southernmost part of the park, was in the wrong place – on muddy, low-lying land which will become isolated by the new flood wall. The plan is to replace it with a new playpark at the eastern end with new equipment designed for two to 12-year-olds instead of the current age group of two to six-year-olds.

The Friends also want to make the park more attractive to teenagers with a mini-physical assault course or trim trail, a goal end, basketball net and teen shelter. There would be a BMX track, too, allowing people to cycle all the way round the park, and an adult gym with outdoor fitness equipment. The proposals have been costed at £250,000. The Friends have already held bake sales and other fundraising events and say they are optimistic they can win support from the Lottery and various trusts and foundations.

A council spokeswoman said: "The council has worked closely with Friends of Roseburn Park to consider a number of suggestions to enhance the area. We would encourage park users and members of the local community to contribute their feedback on proposals to the informal consultation being run by the group."

Read more: <http://www.edinburghnews.scotsman.com/news/roseburn-park-revamp-includes-public-toilet-cafe-bmx-track-1-4090793>

### Some event flyers

**MERRY CHRISTMAS**

Join us at Roseburn Park Pavillion on  
Sunday 13th December at  
7pm - 8pm

**CAROL SINGING**  
With  
Mulled Wine & Mince pies

Bring A candle or a torch  
to light the way

[www.friendsofroseburnpark.org](http://www.friendsofroseburnpark.org)

**Roseburn Park Fun Day**  
Sunday 2<sup>nd</sup> September 1pm-4pm

12:30pm Dog Competitions- bring your own!  
(Judged by Edinburgh Rugby stars)

- Talent Show- bring your party piece •
- Bookstall • Bric-a-brac • Kid's races •
- 150<sup>th</sup> Scouts • Bike servicing •
- Zumba- try it out •

-and-

Bouncy Castle, Beat the goalie, Face painting, Cake and Candy stall, Dancing

Can you help? Bric-a-brac, books, toys, home baking, tombola prize donations to Val at 5 Roseburn Drive

[www.friendsofroseburnpark.org.uk](http://www.friendsofroseburnpark.org.uk)

**Roseburn park fun day**

fun guaranteed

**Sunday 1st September 2013**  
1pm till 4pm

we will have...

- Tombola
- Bric a brac stall
- Beat the goalie
- Dog show (bring your dog)
- Bouncy castle
- Jousting for the kids
- Refreshments tea and homemade cake stall
- Ice cream
- Kids races
- Zumba (with Fiona Dyer)
- Treasure hunt
- Storytelling
- Table Tennis
- Talent show
- Bike servicing
- A fire engine

[www.friendsofroseburnpark.org.uk](http://www.friendsofroseburnpark.org.uk)

**irm** 23 ROSEBURN ST | MURRAYFIELD  
EDINBURGH | EH12 9PE | 0131 337 5566  
BODYWORK REPAIR SPECIALISTS  
[www.irm.co.uk](http://www.irm.co.uk)

**DISCO PARTY**

Sat 2nd July  
7pm onwards  
£5 on door  
BYOB  
Free Juice

End of Term  
Benefit for  
Friends of  
Roseburn Park

Kids Welcome:  
Saughton Rec,  
Saughtonhall Avenue  
EH12 5RN

Friends of Roseburn Park Launch of new outdoor

**TABLE TENNIS**  
and  
**CHESS TABLES**

GRAND OPENING  
Saturday 18th May 2013 10.30am- 1pm

Fancy a game of chess or ping-pong?

11-12pm Chess tournament (with Roseburn Primary Chess Club);  
Table-tennis display and tournament (with Murrayfield table-tennis club); equipment provided; all welcome!

Treasure Hunt (How well do you know the park? Prizes!)

Tables funded by Fun-Day & Council - FREE TO USE FOREVER!

[www.friendsofroseburnpark.org.uk](http://www.friendsofroseburnpark.org.uk)

**Roseburn Bake-off**

**Cake Competition and Fun Sports**  
in Roseburn Park

**Sunday 4 September 2pm**

**Bake-off:** Bring your entry or just come for tea (and cake)  
Competition entry: £1 & donation of your cake for sale  
Categories: Under-12s, Everyone Else  
Prizes from: Vigo's; House of Hound; Thalion Soullis, Art et Facts, Turkish Barber, Simon Smith Collectables

**Mini-Olympics:** -Organised by Tesco staff so with a Tesco Twist : £5 entry fee  
100m x 4 Relay, Beat the Goalie, Javelin Throw, Long Jump, Shot Putt, Equestrian, Bouncy Boxing, Wheelbarrow race  
Proceeds towards improvement plan for park

[www.friendsofroseburnpark.org.uk](http://www.friendsofroseburnpark.org.uk)

**& Mini-Olympics**



# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Proposed New Lease at 71/73 York Place, Edinburgh

|                          |                  |
|--------------------------|------------------|
| <b>Item number</b>       | 8.3              |
| <b>Report number</b>     |                  |
| <b>Executive/routine</b> | Routine          |
| <b>Wards</b>             | 11 – City Centre |

### Executive Summary

---

The public house at 71/73 York Place, Edinburgh is let to Mitchells & Butlers Retail Limited and trades as The Conan Doyle.

The existing lease is due to expire on 11 November 2018, however for increased security of tenure the tenant has requested a new 25 year lease prior to this date.

This report seeks approval to the grant of a new 25 year lease to Mitchells & Butlers Retail Limited on the terms and conditions outlined in the report.

### Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition Pledges</b>        | <a href="#">P15</a> , <a href="#">P28</a>                       |
| <b>Council Priorities</b>       | <a href="#">CP5</a> , <a href="#">CP7</a> , <a href="#">CP8</a> |
| <b>Single Outcome Agreement</b> | <a href="#">SO1</a>   |

## Proposed New Lease at 71/73 York Place, Edinburgh

### 1. Recommendations

---

That Committee:

- 1.1 Approves a new 25 year lease to Mitchells & Butlers Retail Limited of the public house premises at 71/73 York Place, Edinburgh, 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 public house premises at 71/73 York Place extends to 144.80 sq m (1,559 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since October 2002, the property has been let to Mitchells & Butlers Retail Limited who are a national public house operator and trade from this location as The Conan Doyle. The current rent is £72,250 per annum exclusive of VAT.

### 3. Main report

---

- 3.1 The existing lease expires on 11 November 2018 and Mitchells & Butlers Retail Limited has requested that the Council grant a new 25 year lease to be effective from 1 June 2017.
- 3.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
  - Subjects: Public house at 71/73 York Place, Edinburgh;
  - New Lease: 25 years from 1 June 2017 until 31 May 2042;
  - Tenant Break Option: 1 June 2032;
  - Rent: £80,000 per annum (current market rental value);
  - Rent Reviews: Reviewed on each fifth anniversary of the term in an upward only direction;
  - Use: Non-Classified (Sui Generis) Public House use;
  - Repairs: Full repairing and maintaining obligation; and

- Other terms: As contained in a standard commercial lease.

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

---

- 4.1 Granting a new 25 year lease will allow the business to continue its long term financial planning and in turn sustain employment for its workers.

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

---

- 5.1 An increase in rent of £7,750 per annum effective from 1 June 2017 to the General Property Account.

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

---

- 6.1 This is a new 25 year lease to the existing tenant. The existing tenant has been trading from the property since October 2002. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

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

---

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a new lease, it will ensure that Mitchells & Butlers Retail Limited can continue to plan both financially and in terms of developing their business. This will allow them to continue to provide a high level of service and experience to their employees and customers. This directly links to an enhancement of (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified as offering a new lease to the existing occupier rather than advertising the property on the open market upon lease expiry, would have an adverse impact on other potential occupiers. However, given the established nature of the tenant's business and the possible adverse effect on it if a new lease is not granted, the impact is considered to be proportionate and justifiable.

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

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- 8.1 There are no sustainability issues arising from this report as it is a new lease being proposed for a property that has been in public house for many years and is to continue to be in public house use.

## 9. Consultation and engagement

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9.1 N/A

## 10. Background reading/external references

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10.1 N/A

### Hugh Dunn

Acting Executive Director of Resources

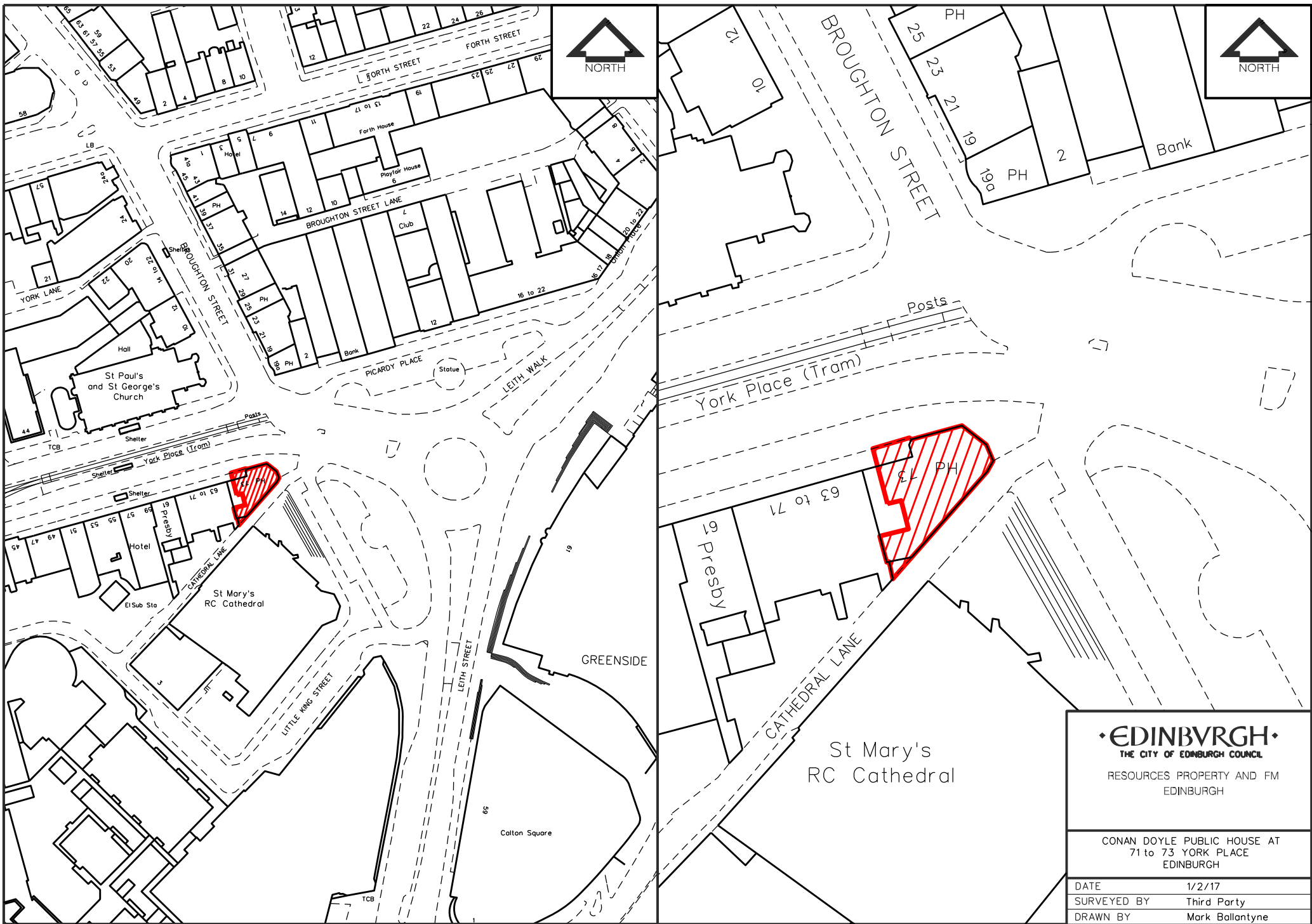
Contact: Iain E Lamont, Estates Surveyor

E-mail: [iain.lamont@edinburgh.gov.uk](mailto:iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

## 11. Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition Pledges</b>        | P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.<br>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.<br>CP7 – Access to work and learning.<br>CP8 – A vibrant, sustainable local economy   |
| <b>Single Outcome Agreement</b> | SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all.  |
| <b>Appendices</b>               | Appendix 1 - Location Plan.   |



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

|   |                 |
|---|-----------------|
| <b>• EDINBURGH •</b><br>THE CITY OF EDINBURGH COUNCIL<br>RESOURCES PROPERTY AND FM<br>EDINBURGH |                 |
| CONAN DOYLE PUBLIC HOUSE AT<br>71 to 73 YORK PLACE<br>EDINBURGH                                 |                 |
| DATE  | 1/2/17          |
| SURVEYED BY   | Third Party     |
| DRAWN BY  | Mark Ballantyne |
| SCALE   | N.T.S.          |
| NEG. NO.  | A3/1740         |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Land at Pilton Drive – Proposed Disposal

|                          |           |
|--------------------------|-----------|
| <b>Item number</b>       | 8.4       |
| <b>Report number</b>     |           |
| <b>Executive/routine</b> | Routine   |
| <b>Wards</b>             | 4 - Forth |

### Executive Summary

---

Taylor Wimpey is seeking to purchase approximately 852 sq m of land adjoining a residential development site at Pilton Drive, known as The Strada.

The land is a narrow strip of amenity ground situated between the development site and Pilton Drive. It is required due to a small area of accidental encroachment and to form part of the landscaping of the development.

This report seeks authority to sell the land to Taylor Wimpey on the main terms outlined in the report.

### Links

---

|                                 |  |
|---------------------------------|--|
| <b>Coalition Pledges</b>        | <a href="#">P17</a>                        |
| <b>Council Priorities</b>       | <a href="#">CP5</a> , <a href="#">CP10</a> |
| <b>Single Outcome Agreement</b> | <a href="#">SO1</a> , <a href="#">SO4</a>  |

## Land at Pilton Drive – Proposed Disposal

### 1. Recommendations

---

That Committee:

- 1.1 Approves the disposal of the land at Pilton Drive, extending to 852 sq m or thereby, to Taylor Wimpey, on the terms and conditions outlined in this report and on such terms and conditions to be agreed by the Acting Executive Director of Resources.

### 2. Background

---

- 2.1 Taylor Wimpey is undertaking a residential development at Pilton Drive, known as The Strada. A recent title search by the developer has uncovered a small area of ground that Taylor Wimpey does not have clean title. This has resulted in an accidental encroachment on Council owned land of approximately 21 sq m.
- 2.2 The proposed sale is for a total of 852 sq m in order to also facilitate consistent landscaping works along the eastern boundary of the development. The area of land is shown shaded pink on the plan at Appendix 1.

### 3. Main report

---

- 3.1 The proposed disposal will not have any detrimental impact on the operational use of nearby roads or pavements. The land is not required for any operational purpose, and has no alternative use or value.
- 3.2 Negotiations have taken place with Taylor Wimpey and provisional agreement has been reached that the land be sold subject to the following main terms and conditions:
  - Purchaser: Taylor Wimpey;
  - Subjects: 852 sq m of land or thereby at Pilton Drive;
  - Purchase price: £20,450;
  - Use: Landscaping with the exception of small area of encroachment; and
  - Council Fees: The purchaser will meet the Council's reasonably incurred legal and property fees.
- 3.3 The purchase price reflects the small area of encroachment and amenity land.

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

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- 4.1 A piece of ground that is unlikely to have any future economic use will be sold for a capital receipt.
- 4.2 The sale of unused Council land will allow the developer to secure clean title and assist in the delivery of much needed market and affordable housing.

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

---

- 5.1 A net capital receipt of £20,450 will be received in the financial year 2017/18.
- 5.2 The disposal will remove a potential future maintenance liability.

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

---

- 6.1 There is a risk that the sale does not complete. This is the same for any offer of purchase.
- 6.2 The sale of the area of land will facilitate the delivery of much needed market and affordable housing. The delivery of these units is dependent on securing clean title.

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

---

- 7.1 The sale of the area of land will lead to improved landscaping in the area. This will enhance the rights to health and physical security by improving the area for nearby residents.

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

---

- 8.1 There are no sustainability issues arising from the recommendations of 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

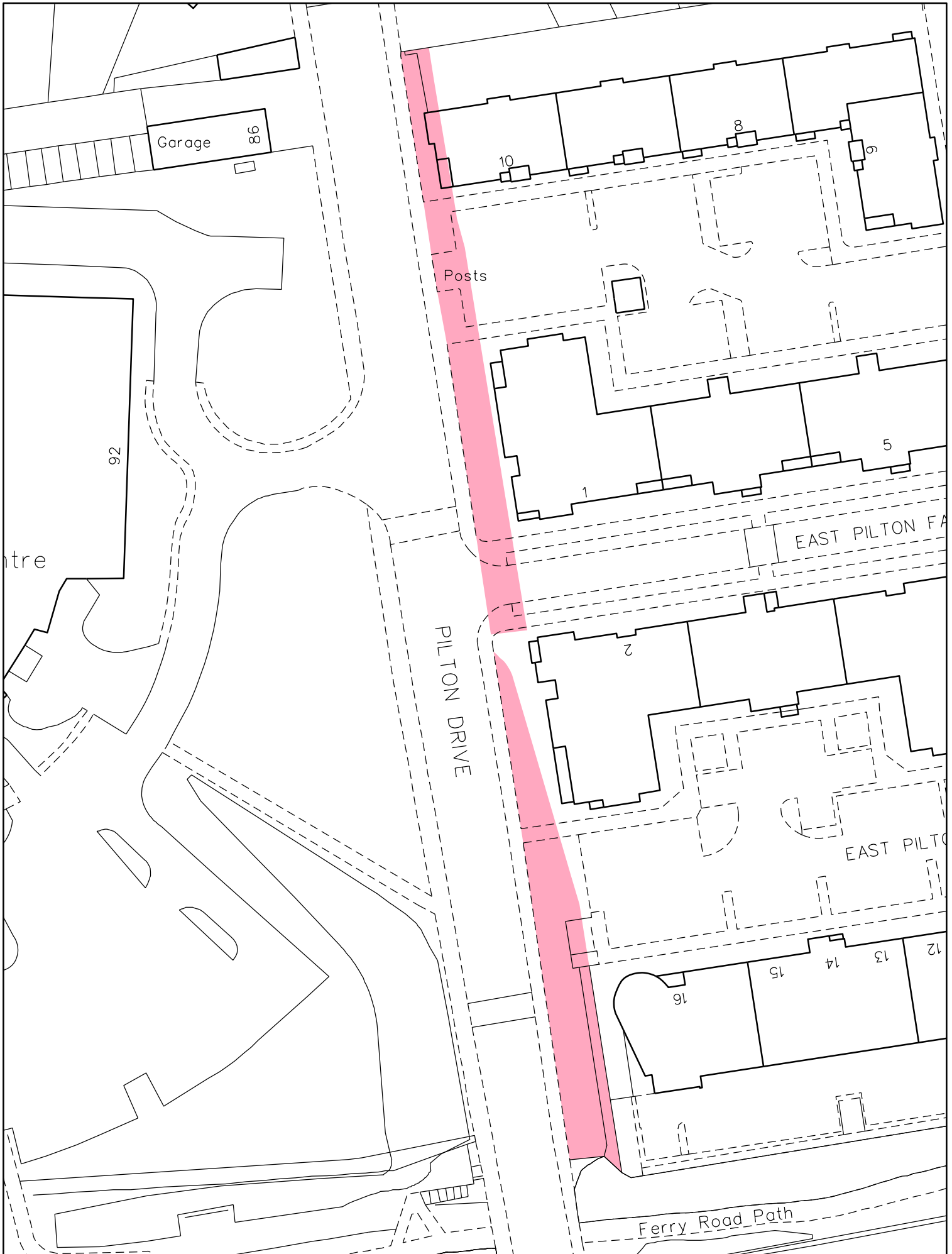
Contact: Chris Jayne, Estates Surveyor

E-mail: [chris.jayne@edinburgh.gov.uk](mailto:chris.jayne@edinburgh.gov.uk) | Tel: 0131 529 5658

## 11. 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.<br>CP10 – A range of quality housing options.   |
| <b>Single Outcome Agreement</b> | SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all.<br>SO4 – Edinburgh's communities are safer and have improved physical and social fabric. |
| <b>Appendices</b>               | Appendix 1 – Location Plan  |



TITLE  
 Ground - 852.33 msq  
 Pilton Drive  
 area based on OS data

© Crown Copyright. All rights reserved, 100023420, 2009  
**EDINBURGH**  
 Estate Services  
 Corporate Property  
 Services for Communities  
 4 East Market Street

|          |            |
|----------|------------|
| DATE     | 28/02/2017 |
| SCALE    | 1:700      |
| DRAWN BY | A.Powers   |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Port Edgar Marina – Proposed Lease Variation

|                          |            |
|--------------------------|------------|
| <b>Item number</b>       | 8.5        |
| <b>Report number</b>     |            |
| <b>Executive/routine</b> | Routine    |
| <b>Wards</b>             | 1 - Almond |

### Executive Summary

---

In April 2014, Port Edgar Holdings Limited (PEHL), was granted a lease of Port Edgar Marina subject to making staged investment in the facility. In 2016, having exceeded the investment requirements, and to permit further investment, PEHL was granted an early incremental extension to the lease together with permission to grant Irritancy Protection to secure a major leisure operator as a tenant.

To allow for continued investment in the facilities at the marina, PEHL has now requested that the lease is converted to a fixed term and for the area of the marina covered by the lease to be extended.

### Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition Pledges</b>        | <a href="#">P15</a> , <a href="#">P17</a> , <a href="#">P42</a> |
| <b>Council Priorities</b>       | <a href="#">CP5</a> , <a href="#">CP8</a>                       |
| <b>Single Outcome Agreement</b> | <a href="#">SO1</a>   |

## Port Edgar Marina – Proposed Lease Variation

### 1. Recommendations

---

That Committee:

- 1.1 Approves the amendment of the existing lease to PEHL to a fixed period of 67 years until 2084, and an extension of the area of the marina covered by the lease, on the main terms set out in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

### 2. Background

---

- 2.1 Port Edgar Marina comprises the area shown outlined in red on the attached plan (Appendix 1). Port Edgar Holdings Ltd (PEHL) entered into a lease in April 2014 following a marketing exercise.
- 2.2 The terms of the lease were agreed with the aim of securing the future of the marina and to ensure future investment. The lease was for an initial period of 30 years subject to PEHL carrying out investment of approximately £600,000 within the first five years of the lease, with a subsequent period of investment to be completed by 2029. Further options were available at 10 year intervals to extend the lease until 2084.
- 2.3 Since taking possession in 2014, PEHL has invested over £1m on dredging the harbour, demolition and upgrade works, the creation of a new car park and new open slipway, forming a new temporary Sailing Centre along with significant landscape works. This is significantly in excess of £600,000 initially agreed.
- 2.4 These works have secured seven permanent tenants previously on monthly leases. In addition, PEHL has attracted interest from a major restaurant and leisure operator, already with a presence at several other marinas, which resulted in the initial 10 year lease extension until 2054 being approved in June 2016, along with the ability to grant an irritancy protection agreement to secure the tenant, and the additional funding required to create and fit out suitable premises.
- 2.5 This consent will not only result in investment in the new leisure facility but also secured the necessary upgrade of sub-standard utilities infrastructure serving Port Edgar. At present, the electricity distribution for the marina is housed in a building outwith the area leased to PEHL and is the responsibility of the Council. The equipment is dated and will require to be upgraded to provide security of supply. Water treatment at the site also fails to meet current standards and needs to be

upgraded with the provision of a new water treatment installation to accommodate the current and future development proposals.

### 3. Main report

---

- 3.1 As a result of the high level of investment to date, the success of the project in reinvigorating Port Edgar, the additional investment required in the near future and the need to be able to pro-actively manage the facility without the need to revert to the Council for permissions and extensions, PEHL have now formally requested that the lease be further amended as follows:
- 3.1.1 The lease will be converted to a fixed term until 2084 allowing the tenant to better plan their long term investment in the facility;
  - 3.1.2 The area leased to be extended to include the area shaded pink on the attached plan. This will accommodate boat storage which will be displaced due to increased car parking required to support increasing visitor numbers and the restaurant/leisure provision. This area also includes the Power House building which houses the electricity distribution for the marina and, once the current required investment is made as in condition (3.1.4) below, the Council will have no further future maintenance/upgrade liabilities;
  - 3.1.3 As with the original Port Edgar Lease, PEHL would become the intermediate landlord for existing tenants within the extension area and provide those on short term lease similar security of tenure as was provided to existing tenants in the area of the original lease;
  - 3.1.4 For further development of the marina to continue infrastructure improvement works at an estimated cost of £200,000 are required. Currently responsibility for these lies with the Council. By extending the area leased this responsibility will be transferred to the tenant. Following negotiation it has been agreed that rather than grant, as the tenant had requested, an immediate rent free period to cover the cost of the improvement works, the rent profile will be amended to spread this over a 15 year period as indicated in the attached schedule. Adjusting the rent over 15 years rather than granting a rent free period at the commencement of the new lease benefits the Council by reducing the impact of the concession in real terms;
  - 3.1.5 The tenants to meet the Council's reasonable legal costs; and
  - 3.1.6 Other terms and conditions to be agreed.
- 3.2 Whilst these proposals result in an initial reduction in income to the Council, this will be offset by the removal of the Council's liability for the maintenance and repair of the buildings within the extended area. The Council will also be relieved of the liability for maintenance to power supply and drainage infrastructure in this area. The future development of the marina will require substantial investment in these areas which PEHL will be obliged to undertake.

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

---

- 4.1 Agreement to the proposals would enable further substantial investment at Port Edgar Marina much sooner than had previously been anticipated. This will assist with securing the long term future of the facility in fulfilment of the Council's objectives when the opportunity to lease the marina was advertised.

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

---

- 5.1 Agreement to the proposals will mean a decrease of £200,000 in rental income, reduced in real terms due to its spread over the 15 year period 2017 - 2032. It will also remove the Council's responsibility for the maintenance, repair and potential replacement of infrastructure which is a barrier to development and future investment in the marina. It will also relieve the Council of similar responsibilities for existing buildings. Early development would also bring forward the possibility of the Council receiving overage payments which under the terms of the existing lease arise once the rental income from the marina exceeds £90,000 p.a.

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

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- 6.1 The proposals do not seek to change any policy currently in place. There is minimal risk to the Council as the project will be developed, funded and managed by PEHL and the leisure operator.

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

---

- 7.1 Approving the requested lease variation will have a positive impact on the rights to health, education and learning, productive and valued activities and individual, family and social life.

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

---

- 8.1 The impacts of this report in relation to the three elements of Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered and outcomes summarised below:
- The proposals in this report will have a limited impact on carbon emissions as the increase related to new construction will be limited by the use of current building standards and off-set by the refurbishment of existing buildings to modern standards using modern materials;
  - The proposals in this report will increase the city's resilience to climate change impacts by redeveloping on previously developed land;

- The proposals in this report will help achieve a sustainable Edinburgh by promoting personal well being and meeting diverse needs of current and future communities;
- The proposals in this report will help achieve a sustainable Edinburgh by creating an improved environment for the local and wider communities; and
- The proposals in this report will help achieve a sustainable Edinburgh because apart from new development on a brownfield site it will also reuse existing buildings.

8.2 Relevant Council sustainable development policies have been taken into account and are noted at Background Reading later in this report.

## 9. Consultation and engagement

---

9.1 The Council and PEHL have consulted with key stakeholders in the Marina represented including Port Edgar Yacht Club, the Berth Holders Association, existing tenants and the Marine Sailing and Sea Cadet Association as major stakeholders on the proposals. These discussions have been supportive of the proposed development.

## 10. Background reading/external references

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10.1 Local Development Plan -

[http://www.edinburgh.gov.uk/download/downloads/id/8521/ldp\\_proposals\\_map\\_-\\_north\\_west.pdf](http://www.edinburgh.gov.uk/download/downloads/id/8521/ldp_proposals_map_-_north_west.pdf)

Resource Use Policy -

[http://www.edinburgh.gov.uk/downloads/file/6342/resource\\_use\\_policy](http://www.edinburgh.gov.uk/downloads/file/6342/resource_use_policy)

Economy Committee - 17 September 2013 - Port Edgar Marina - Proposed Lease

Finance and Resources Committee - 9 June 2016 - Port Edgar Marina - Proposed Lease Extension

### Hugh Dunn

Acting Executive Director of Resources

Contact: Roger McGaffin, Estates Surveyor

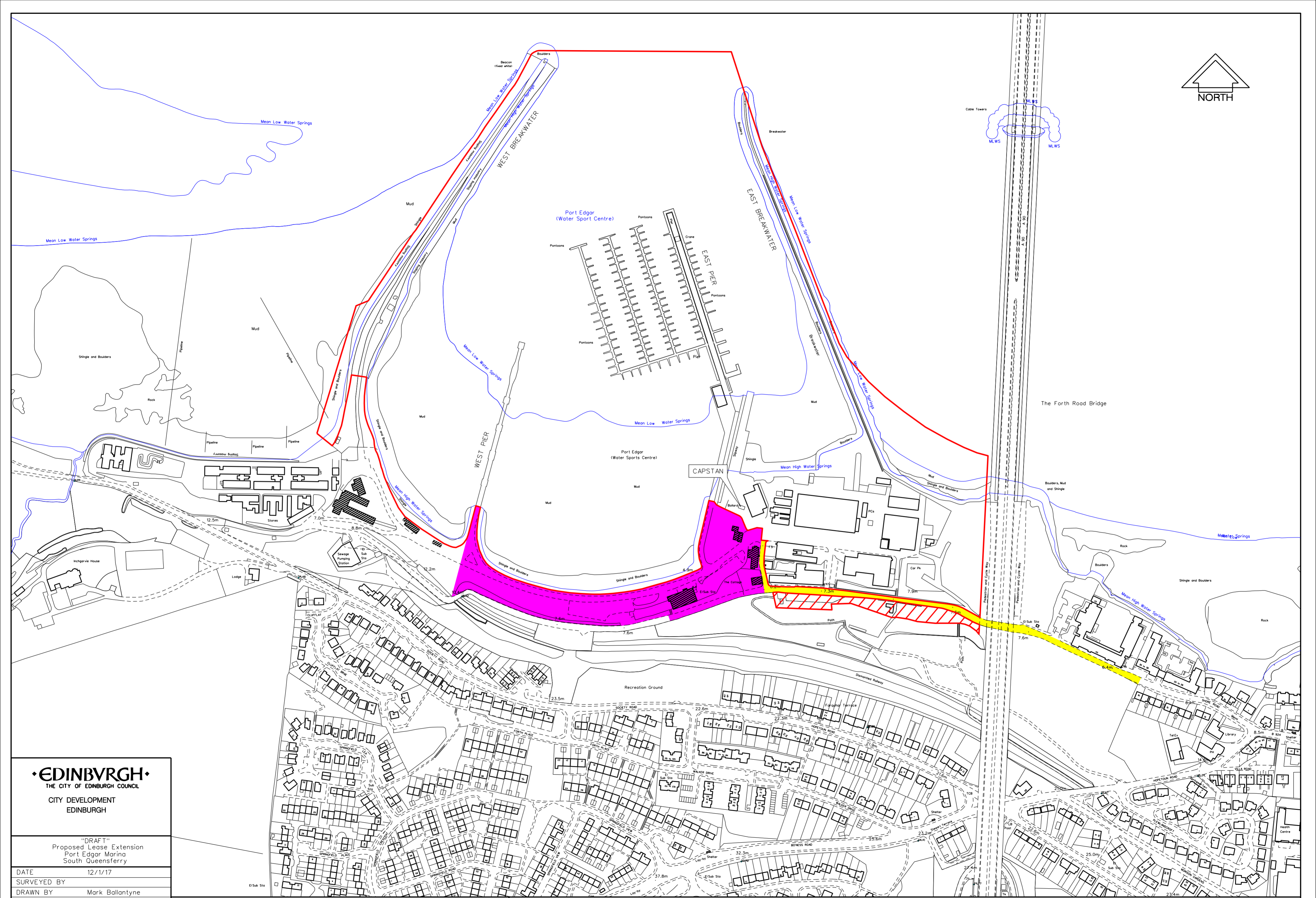
E-mail: [roger.mcgaffin@edinburgh.gov.uk](mailto:roger.mcgaffin@edinburgh.gov.uk) | Tel: 0131 529 4154

## 11. Links

---

|                                 |   |
|---------------------------------|---|
| <b>Coalition Pledges</b>        | P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.<br>P17 - Continue efforts to develop the city's gap sites and encourage regeneration.<br>P42 – Continue to support and invest in our sporting Infrastructure. |
| <b>Council Priorities</b>       | CP5 - Business growth and investment.<br>CP8 – A vibrant, sustainable local economy.  |
| <b>Single Outcome Agreement</b> | SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all.  |
| <b>Appendices</b>               | Appendix 1 – Location Plan<br>Appendix 2 – CEC Rent Proposals   |





**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL  
CITY DEVELOPMENT  
EDINBURGH

"DRAFT"  
Proposed Lease Extension  
Port Edgar Marina  
South Queensferry

|             |                 |
|-------------|-----------------|
| DATE        | 12/1/17         |
| SURVEYED BY |                 |
| DRAWN BY    | Mark Ballantyne |
| FILE NO.    | 1:2500 @ A2     |
| NEG. NO.    | NT1177/A2/87 A  |

LAND AND HARBOUR TO BE LEASED SHOWN DELINEATED RED

PROPOSED LEASE EXTENSION SHOWN SHADED PURPLE

|      | Lease period       | Existing PEH | MSSC    | Total Anticipated Rental income | Utilities Obligations - Spread over 15 years | Rental less obligations | Proposed PEH | Difference |
|------|--------------------|--------------|---------|---------------------------------|--|-------------------------|--------------|------------|
|      | April 14- March 15 | 30,000       |         | 30,000                          |  | 30,000                  | 30,000       | -          |
|      | April 15- March 16 | 30,000       |         | 30,000                          |  | 30,000                  | 30,000       | -          |
|      | April 16- March 17 | 30,000       |         | 30,000                          |  | 30,000                  | 30,000       | -          |
| YR1  | April 17- March 18 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 37,500       | 46,667     |
| YR2  | April 18- March 19 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 37,500       | 46,667     |
| YR3  | April 19- March 20 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 52,500       | 31,667     |
| YR4  | April 20- March 21 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 75,000       | 9,167      |
| YR5  | April 21- March 22 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR6  | April 22- March 23 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR7  | April 23- March 24 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR8  | April 24- March 25 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR9  | April 25- March 26 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR10 | April 26- March 27 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR11 | April 27- March 28 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR12 | April 28- March 29 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 95,000       | (10,833)   |
| YR13 | April 29- March 30 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 100,000      | (15,833)   |
| YR14 | April 30- March 31 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 100,000      | (15,833)   |
| YR15 | April 31- March 32 | 90,000       | 7,500   | 97,500                          | 13,333                                       | 84,167                  | 100,000      | (15,833)   |
|      |                    | 1,440,000    | 112,500 | 1,552,500                       | 200,000                                      | 1,352,500               | 1,352,500    | 0          |

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## Proposed New Lease at Gorgie City Farm, Edinburgh

|                   |                      |
|-------------------|----------------------|
| Item number       | 8.6                  |
| Report number     |                      |
| Executive/routine | Routine              |
| Wards             | 7 – Sighthill/Gorgie |

### Executive Summary

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The Council owns the area of land, shown outlined in red on the attached plan, which has been occupied by the Gorgie City Farm since the late 1970's.

Currently the site is held on three separate leases which have been in place since 1991. In order to simplify matters and with the need for the farm to secure funding, a new long term ground lease has been provisionally agreed.

This report seeks approval to the grant of a new 40 year ground lease to Gorgie City Farm on the terms and conditions as outlined in the report.

### Links

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|                          |   |
|--------------------------|---|
| Coalition Pledges        | <a href="#">P1</a> , <a href="#">P15</a> , <a href="#">P17</a>  |
| Council Priorities       | <a href="#">CP1</a> , <a href="#">CP2</a> , <a href="#">CP5</a> , <a href="#">CP7</a> , <a href="#">CP8</a> , <a href="#">CP9</a> |
| Single Outcome Agreement | <a href="#">SO1</a> , <a href="#">SO2</a> , <a href="#">SO3</a>   |

## Proposed New Lease at Gorgie City Farm, Edinburgh

### 1. Recommendations

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#### 1.1 That Committee:

- 1.1.1 Approves a new 40 year ground lease to Gorgie City Farm of the site at 51 and 53-59 Gorgie 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.

### 2. Background

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- 2.1 The site leased to Gorgie City Farm extends to 2.1 acres or thereby as shown outlined in red on the attached plan.
- 2.2 Gorgie City Farm has occupied the site since the late 1970's with the farm being open to the public in 1982. The only city farm in east and central Scotland, the charity is run as a working farm with the animals bred and raised for food production. In 2016 the farm recorded 220,000 visitors.
- 2.3 Historically, the farm has been occupied on three leases which have been in place since 1992. The original terms on the leases expired in 2012 and the leases have been holding over since that time.

### 3. Main report

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- 3.1 In order to standardise and simplify the position, discussions have taken place and terms provisionally agreed on one new ground lease covering the whole site. The 40 year term that has been agreed is a requirement for the farms funding application (Big Lottery Fund). Subject to funding, Gorgie City Farm will invest over £1m improving the various building on site.
- 3.2 The following terms have been provisionally agreed:
  - Subjects: 2.1 acres or thereby at 51 and 53-59 Gorgie Road, Edinburgh;
  - Lease term: 40 years from 1 March 2017;
  - Rent: Stepped rental agreement as follows:  
£5,500 per annum from 01/03/2017 to 28/02/2019  
£6,500 per annum from 01/03/2019 to 28/02/2020

£7,500 per annum from 01/03/2020 to 28/02/2021  
£8,500 per annum from 01/03/2021 to 28/02/2022  
£9,500 per annum from 01/03/2022 to 28/02/2023  
£10,500 per annum from 01/03/2023 to 28/02/2024  
£12,000 per annum from 01/03/2024 to 28/02/2025;

- Rent Review: Rent to be reviewed to full market level on each fifth anniversary of date of entry. First rent review is superseded by stepped agreement so rent reviews to follow on 1 March 2027, 2032, 2042 and 2047;
- Use: City farm;
- Repairs: Tenant full repairing and maintaining obligations;
- Alienation Provisions: Tenant will be permitted to sub-let in whole or in part, subject to Council's consent as landlord with that consent not to be unreasonably withheld or delayed; and
- Costs: Both parties to meet their own costs.

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

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- 4.1 Granting a 40 year lease will provide greater security of tenure allowing the tenant progress with a funding application which will lead to significant investment in the site. This will greatly improve the facilities provided.

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

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- 5.1 Rental income of £5,500 per annum payable from 1 March 2017 rising to £12,000 per annum by 1 March 2024 and subject to further rent reviews. Rent payable to General Property Account.

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

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- 6.1 This is a new 40 year lease to the existing tenant who has operated from the site for more than 35 years and it is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

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

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- 7.1 An Equalities and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a lease extension, it will ensure the tenant can continue to plan both financially and in terms of developing

the farm. The greater security of tenure allows them to inject investment into the facilities, greatly improving the experience available to visitors.

- 7.3 The farm supports a wide range of adults and young people across a variety of programmes. These include but are not limited to, drop in sessions for pre-school children allowing them to enjoy outdoor activities, formal education tours and workshops to over 1600 participants per year, youth and adult volunteering programmes, weeklong work placement for over 60 young people and weekday placements for 34 referred young people.
- 7.4 The aforementioned directly links to the following rights namely (i) Life, (ii) Health, (iii) Legal Security, (iii) Education and Learning (iv) Productive and Valued Activities, (v) Individual, Family and Social Life, (vi) Identity, Expression and Respect, and (vii) Participation, Influence and Voice.
- 7.5 A possible infringement has been identified in that by offering a new lease to the current tenant rather than placing the premises on the open market in, there is potential impact on others who may wish to lease the premises. However, given that the existing tenant has operated the farm for more than 35 years and the possible effect on the farm if the new lease is not granted, the impact is considered to be proportionate and justifiable.

## **8. Sustainability impact**

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

## **9. Consultation and engagement**

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- 9.1 The ward councillors (Councillor's Dixon, Fullerton, Milligan and Wilson) and Councillor Corbett were aware of the email correspondence between the Councillor officer and Gorgie City Farm.

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

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- 10.1 N/A

### **Hugh Dunn**

Acting Executive Director of Resources

Contact: Mark Bulloch, Portfolio Manager - Investments

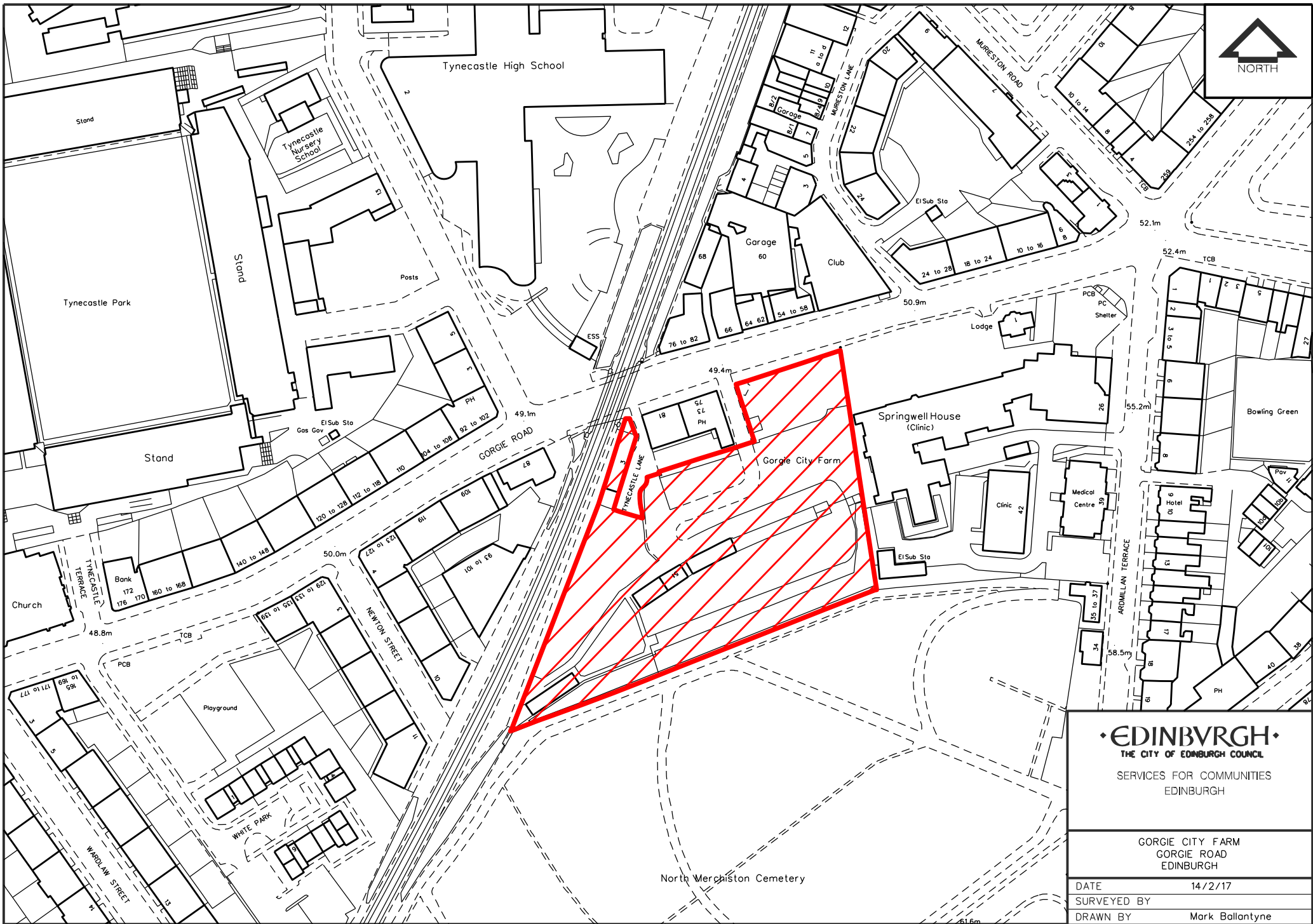
E-mail: [mark.bulloch@edinburgh.gov.uk](mailto:mark.bulloch@edinburgh.gov.uk) 0131 529 5991

Finance and Resources Committee – 23 March 2017

## 11. Links

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|                                 |  |
|---------------------------------|--|
| <b>Coalition Pledges</b>        | <p>P1 – Increase support for vulnerable children, including help for families so that fewer go into care.</p> <p>P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.</p> <p>P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.</p> |
| <b>Council Priorities</b>       | <p>CP1 – Children and young people fulfil their potential.</p> <p>CP2 – Improved health and wellbeing: reduced inequalities.</p> <p>CP5 – Business growth and investment.</p> <p>CP7 – Access to work and learning.</p> <p>CP8 – A vibrant, sustainable local economy.</p> <p>CP9 – An attractive city.</p>                      |
| <b>Single Outcome Agreement</b> | <p>SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all.</p> <p>SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health.</p> <p>SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential.</p>            |
| <b>Appendices</b>               | <p>Appendix 1 – Location Plan.</p>   |



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THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES  
EDINBURGH

GORGIE CITY FARM  
GORGIE ROAD  
EDINBURGH

|             |                  |
|-------------|------------------|
| DATE        | 14/2/17          |
| SURVEYED BY |                  |
| DRAWN BY    | Mark Ballantyne  |
| SCALE       | 1:1250 @ A3 SIZE |
| NEG. NO.    | A3/1612          |

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

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