

## Finance and Resources Committee

10.00am, Thursday 23 March 2017

### Present

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

### 1. Minute's Silence

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The Finance and Resources Committee and those in attendance observed a minute's silence prior to the commencement of the meeting in respect for the victims of the Westminster attack on 22 March 2017. The Convener advised that the City Chambers flags would be lowered to half-mast as a mark of respect.

### 2 (a) Deputation: Unison – Health and Safety Performance in 2016

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The Committee agreed to hear a deputation from Gerry Stovin and David Harrold from Unison.

The main points raised by the deputation were:

- The decrease in the number of serious incidents was welcomed.
- Concerns were raised about the overall rise in health and safety incidents. 62% of these incidents were due to violence and aggression against staff.
- Approximately 1000 staff were assaulted every year.
- It was acknowledged by Unison that measures were in place to address these incidents but Unison requested that regular reports were brought back to future Committees to advise whether the measures that had been put in place to reduce assaults on staff had been effective.

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.

### 2 (b) Deputation: Unison – Health and Safety Performance 2016

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An update was provided on the progress and performance in 2016 for health and safety.

## Decision

To note the report.

(References – Finance and Resources Committee, 17 March 2016 (item 8); report by the Acting Executive Director of Resources, submitted.)

### **3 (a) Deputation: Unison – Approved 2017/18 – 2020/21 Revenue Budget and 2017/18 – 2021/22 Capital Investment Programme – plans for Supplementary Investment**

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The Committee agreed to hear a deputation from Gerry Stovin and David Harrold from Unison in relation to the Approved 2017/18 – 2020/21 Revenue Budget and 2017/18 – 2021/22 Capital Investment Programme – plans for Supplementary Investment report.

The main points raised by the deputation were:

- There were concerns from Unison in relation to the introduction of the open library system.
- No evidence had been provided that the safety of staff and service users was guaranteed.
- There was an assumption that the CCTV would provide the relevant safeguards but would not provide the relevant response in an emergency.
- A strategy had not been implemented to respond to the misuse of libraries.
- Vulnerable people were less likely to be able to access library facilities without staff support.
- The open library system did not acknowledge that libraries could not function without well trained staff.

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.

### **3 (b) Approved 2017/18 – 2020/21 Revenue Budget and 2017/18 – 2021/22 Capital Investment Programme – plans for Supplementary Investment**

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Committee considered a report on the provision for one-off items of service investment across several broad themes that were part of the approved budget of 9 February 2017 that totalled £9.988m of revenue and £2.278m of capital expenditure respectively. Additional information on the application of these funds was provided.

## Decision

- 1) To note the additional information provided on the supplementary investment contained within the approved budget motion.

- 2) To agree that Directors would report to service Committees and provide further updates as part of the monitoring process.

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

#### **4. Minutes**

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##### **Decision**

To approve the minute of the Finance and Resources Committee meeting of 23 February 2017 as a correct record.

(Reference – Finance and Resources Committee Minute 23 February 2017, submitted)

#### **5. Business Bulletin**

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The Finance and Resources Committee Business Bulletin of Thursday 23 March 2017 was submitted.

##### **Decision**

To note the Finance and Resources Committee Business Bulletin dated 23 March 2017.

(Reference – Finance and Resources Business Bulletin 23 March 2017, submitted)

#### **6. Key Decisions Forward Plan**

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The Finance and Resources Committee Key Decisions Forward Plan from 23 March – 8 June 2017 was submitted.

##### **Decision**

To note the Key Decisions Forward Plan from 23 March – 8 June 2017

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

#### **7. Rolling Actions Log**

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The Finance and Resources Committee Rolling Actions Log for 8 September 2016 to 23 February 2017 was submitted.

##### **Decision**

To note that items 1 and 4 were closed.

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

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

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A workforce dashboard was submitted which provided indicators to monitor change through the Council Transformation, including details of the number of employees exiting the organisation through Voluntary Redundancy (VR); annualised cost savings; numbers that had accessed support/Career Transition Service; numbers of surplus staff and the latest available information on council-wide staffing numbers, sickness absence, agency expenditure and vacancies.

## **Decision**

To note the progress made to date.

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

## **9. Whistleblowing Policy**

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Approval was sought for a revised Whistleblowing Policy to meet the review requirement that the Policy was updated and to comply with the Council's policy framework in relation to consistency of policy formatting, content and assurance.

### **Decision**

- 1) To approve the revised Whistleblowing Policy.
- 2) To implement the revised policy with immediate effect.

(References – Finance and Resources Committee, 27 August 2015 (item 20); report by the Chief Executive, submitted.)

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

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Committee considered a report by the Accounts Commission that, following the publication in November 2016 of its Scotland-wide review of 2015/16 local government financial performance, provided a complimentary, more forward-looking report that assessed Councils' readiness to confront the growing challenges that lay ahead.

### **Decision**

- 1) To note the report.
- 2) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.
- 3) To agree that the report would be made available to all Councillors in the new administration.

(References – Governance, Risk and Best Value Committee, 9 March 2017 (item 10); joint report by the Chief Executive and the Acting Executive Director of Resources, submitted.)

## **11. Provision of Internal Support Services to the Edinburgh Integration Joint Board**

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Approval was 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).

### **Decision**

To approve the provision of the internal support services to the Edinburgh integration Joint Board (EIJB) on the basis set out within the report.

(References – Corporate Policy and Strategy Committee, 23 February 2016 (item 7); report by the Acting Executive Director of Resources, submitted.)

## **Declaration of Interest**

Councillor Ricky Henderson declared a financial interest in the above item as a non-Executive Board Member of NHS Lothian.

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

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An update was provided on the contracts awarded between 1 October 2016 and 31 December 2016 and summarised those awarded following a waiver of the Council's Standing Orders, those which were exempt from waiver and the contracts awarded with a value below the threshold that required Committee approval.

### **Decision**

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

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

## **13. Award of Postal Services Framework**

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Approval was sought, under the Council's Contract Standing Orders, to adopt the Scottish Government's Postal Services Framework.

### **Decision**

To approve 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.

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

## **14. Workplace Travel Planning Consultants – Award of Contract**

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Approval was sought to award a contract for workplace travel planning consultancy services to Sweco Ltd for the contract amount of £100,000. The award of contract was subject to the outcome of the Council's application for Smarter Choices Smarter Places funding which would be published on the 1 April 2017.

### **Decision**

- 1) To approve the award of contracts for Workplace Travel Planning Consultancy Services to Sweco Ltd for the contract value of £100,000.
- 2) To note that the award of contract was subject to the outcome of the Council's application for funding from the 'Smarter Choices, Smarter Places' (SCSP) fund.
- 3) To agree an update report would be submitted to a future committee to include numbers and percentages of the number of people who had taken up different modes of travel.

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

## **15. BEMS Installation Framework Agreement – Award under Delegated Authority**

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Committee considered a report that sought approval to delegate authority to the Acting Executive Director of Resources to appoint a framework of suppliers, following

completion of a tender exercise, to allow a framework agreement to be in place in sufficient time to carry out upgrade works to Building Energy Management Systems (BEMS) during the school summer break in 2017.

### **Decision**

- 1) To delegate authority to the Acting Executive Director of Resources, in consultation with the Convener and Vice Convener of the Finance and Resources Committee, to appoint a framework of suppliers to deliver the planned upgrade of the Council's Building Energy Management Systems (BEMS) estate which consisted 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.
- 2) To note the total budget of £2.5m for the project, as detailed in the Financial Implications section of the report.

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

## **16. 21<sup>st</sup> Century Homes Small Sites Programme – Delivery Update**

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An update was provided on the Council's small sites affordable house building programme, to redevelop seven small brownfield sites for new affordable homes.

### **Decision**

- 1) To agree a revised project budget of £33.9m for the small sites affordable house building programme.
- 2) To agree 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.
- 3) To refer the report to the Health, Social Care and Housing Committee for information.

(References – Finance and Resources Committee, 2 February 2016 (item 15); report by the Executive Director of Place, submitted.)

## **17. Strategy – Accelerating Housing Delivery and Brownfield Regeneration**

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Approval was sought 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 would allow the Council to accelerate the delivery of key objectives that included affordable low cost market housing, the development of brown-field sites, sustainable energy, green space, community facilities and planning policy.

### **Decision**

To agree that 14 brownfield sites were transferred to the Housing Revenue Account (HRA) at a value of £23.24m which would be paid for by the transfer of assets and debt.

(References – Act of Council (No. 1), 21 January 2016; joint report by the Executive Director of Place and the Acting Executive Director of Resources, submitted)

## **18. Hunter's Hall Project – Referral Report from the Culture and Sport Committee**

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

The report was referred to the Finance and Resources Committee to approve the cost of progression of the project to RIBA Stage 4 (Technical Design) at a cost of £268,000.

### **Decision**

To approve the cost of the progression of the project to RIBA Stage 4 (Technical Design) at a cost of up to £268,000, subject to further investigations on funding options and an update report being brought to a future committee.

(References – Culture and Sport and Committee, 31 May 2016 (item 10); report by the Head of Strategy and Insight, submitted.)

## **19. Waverley Court – Proposed Licence to CGI**

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Approval was sought to grant a new licence agreement to CGI IT UK Ltd.

### **Decision**

To approve 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 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.)

## **20. Procurement of Vehicle Telematics System**

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Committee considered a report that sought approval to install a telematics system in all council vehicles with a view to reducing the fuel used, reducing the carbon footprint, increasing vehicle utilisation and improving operational efficiency.

### **Decision**

- 1) To note the benefits of implementing a telematics system.
- 2) To delegate authority to the Chief Executive, in consultation with the Convener and Vice Convener of the Finance and Resources Committee to approve expenditure as outlined in paragraphs 5.1 to 5.6 of the report on the basis that savings would be achieved once the system was fully operational, subject to a satisfactory full business case being approved by the Corporate Leadership Team (CLT), and to include a break clause to minimise any risk to the Council.

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



## 21. Removing Barriers to Fish Passage on the River Almond

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Details were provided of improvements to the River Almond at a catchment scale proposed by the City of Edinburgh and the River Forth Fisheries Trust.

The work would improve the status under the EU Water Framework Directive categorisation to 'good' as well as improving the setting, access and interpretation of the River Almond.

### Decision

- 1) To note 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 to support the physical changes to the weir outlined therein.
- 2) To note the findings of the technical optioneering process for both removal and easement options at Dowies Mill weir and to support the production of detailed designs and costings for these.
- 3) To approve the procurement of the delivery of the new fish pass at Fair-A-Far weir at a maximum cost of £0.435m excluding VAT.

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

## 22. King's Theatre Capital Development Project – referral from the Culture and Sport Committee

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The Culture and Sport Committee on 20 March 2017 considered a report by the Executive Director of Place which provided an overview of the Festival City Theatres Trust's (FCTT) current capital project plans to develop the King's Theatre.

The report was referred to the Finance and Resources Committee for approval of the inclusion of the King's Theatre Capital Development Project in the Council's Capital Investment Programme prioritisation process and the inclusion of any lease extension agreement process and principles.

### Decision

To approve the inclusion of the King's Theatre Capital Development Project in the Council's Capital Investment Programme prioritisation process and the inclusion of any lease extension agreement process and principles.

(References – Culture and Sport Committee, 26 April 2011 (item13); report by the Head of Strategy and Insight, submitted)

### Declaration of Interest

Councillor Doran declared a non-financial interest in the item above as a Board Member of the Festival Theatre.



## **23. Committee Decisions – August 2016 – February 2017**

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Details were provided of the assurance work undertaken and the implementation of Finance and Resources Committee decisions covering the period August 2016 to February 2017.

### **Decision**

To note the position on the implementation of Finance and Resources Committee decisions as detailed in the appendix to the report.

(References – Governance, Risk and Best Value Committee 19 June 2014 (item 9); report by the Chief Executive, submitted.)

## **24. Summary Report on Property Transactions concluded under Delegated Authority**

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Details were provided of property transactions concluded in terms of the Council's 'Scheme of Delegation to Officers'.

### **Decision**

To note the 31 transactions detailed in the appendix to the report had been concluded in terms of the Council's Scheme of Delegation to Officers.

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

## **25. Proposed Lease of Vacant and Derelict Public Toilets in Roseburn Park to Friends of Roseburn Park**

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The Finance and Resources Committee on 17 September 2013 approved that a new 25 year lease be granted to Friends of Roseburn Park (FoRP), on a peppercorn rent, subject to raising funding for its refurbishment.

As fund raising without an interest in the property had proved difficult, FoRP had requested that the lease was put in place in advance of funding being secured.

### **Decision**

- 1) To note the funding challenges Friends of Roseburn Park (FoRP) had encountered.
- 2) To approve that the proposed lease, subject to an amendment to use the clause, could be put in place, subject to other terms and conditions to be agreed by the Acting Executive Director of Resources.
- 3) To note that the Head of Corporate Property would review the leasing charges and duration of the lease of comparable facilities within different areas of the city.

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

## **26. Proposed New Lease at 71/73 York Place, Edinburgh**

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Approval was sought to grant a new 25 year lease to Mitchells & Butlers Retail Limited on the terms and conditions outlined in the report.

## **Decision**

To approve 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 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.)

## **27. Land at Pilton Drive – Proposed Disposal**

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Committee considered a report that sought approval for Taylor Wimpey to purchase approximately 852 sq m of land that adjoined a residential development site at Pilton Drive, known as the Strada.

## **Decision**

To approve the disposal of the land at Pilton Drive, that extended to 852 sq m or thereby, to Taylor Wimpey, on the terms and conditions outlined in the report and on such terms and conditions to be agreed by the Acting Executive Director of Resources.

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

## **28. Port Edgar Marina – Proposed Lease Variation**

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The Economy Committee on the 17 September 2013 granted a 30 year lease with the option to extend to Port Edgar Holding Limited (PEHL) which was subsequently ratified by the Finance and Resources Committee on the 19 September 2013.

On 9 June 2016, PEHL, having exceeded the investment requirements and to permit further investment, were granted an early incremental extension to the lease together with permission to grant irritancy protection to secure a major leisure operator as a tenant by the Finance and Resources Committee.

Approval was sought for the lease to PEHL to be converted to a fixed term and for the area of the marina covered by the lease to be extended to allow for continued investment in the facilities at the marina.

## **Decision**

To approve the amendment of the existing lease to Port Edgar Holding Limited (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 the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

(References – Economy Committee, 17 September 2013 (item 24); Finance and Resources Committee, 9 June 2016 (item 31); report by the Acting Executive Director of Resources, submitted.)

## **29. Proposed New Lease at Gorgie City Farm, Edinburgh**

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Approval was sought to grant a new 40 year ground lease to Gorgie City Farm.

## **Decision**

To approve the 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 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.)

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

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

### **31. Lothian Chambers and 329 High Street: Proposed Office Rationalisation**

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Approval was sought for the finalised leases of the Lothian Chambers and 329 High Street.

#### **Motion**

- 1) To approve the lease of Lothian Chambers to the French Consulate and 329 High Street to the Chris Stewart Group on the terms and conditions as outlined in the report and on the other terms and conditions to be agreed by the Acting Executive Director of Resources.
- 2) To approve the transfer of part of the funds from the receipt of 329 High Street to be utilised to create the customer hub at 249 High Street, with both properties being Common Good.
- 3) To note that although there were some inaccuracies in the report, legal were satisfied in respect of alienable common good.

Moved by Councillor Rankin, seconded by Councillor Cook

#### **Amendment**

- 1) To approve the lease of Lothian Chambers to the French consulate on the terms and conditions outlined in the report, and on other terms and conditions to be agreed by the Acting Executive Director of Resources.
- 2) To note the difficulties experienced by the Council in recent years in dealing efficiently and smoothly with common good property.
- 3) To note that the judgement as to whether 329 High Street was alienable common good property had not yet been subject to counsel's opinion or an application to the courts.
- 4) To agree to defer the decision on 329 High Street for at least one cycle or until such times as the issues raised in 1.3 and 1.4 were resolved.

- 5) To further agree to investigate other options for 329 High Street which retained it in public ownership and/or for a use which was of civic or community benefit.

Moved by Councillor Corbett, seconded by Councillor Whyte

### **Voting**

For the motion - 9

For the amendment - 1

### **Decision**

- 1) To approve the lease of Lothian Chambers to the French Consulate and 329 High Street to the Chris Stewart Group on the terms and conditions as outlined in the report and on the other terms and conditions to be agreed by the Acting Executive Director of Resources.
- 2) To approve the transfer of part of the funds from the receipt of 329 High Street to be utilised to create the customer hub at 249 High Street, with both properties being Common Good.
- 3) To note that although there were some inaccuracies in the report, legal were satisfied in respect of alienable common good.

(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.)

## **32. North Edinburgh Regeneration: Site Acquisition**

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Approval was sought for a site acquisition as part of regeneration in North Edinburgh.

### **Decision**

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

(References – Act of Council (No. 2), 21 January 2016; report by the Executive Director of Place, submitted.)

## **33. Award of Contract for Delivery of Edinburgh's Christmas and Edinburgh's Hogmanay**

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Approval was sought to award two contracts for the delivery of Edinburgh's Christmas (lot 1) and Edinburgh's Hogmanay (lot 2).

### **Decision**

- 1) To approve the appointment of Underbelly Ltd to deliver Edinburgh's Christmas (lot 1) and Underbelly Ltd to deliver Edinburgh's Hogmanay (lot 2).
- 2) To approve the total expenditure in section 5.3 for the delivery of Edinburgh's Hogmanay (lot 2).

- 3) To approve the estimated income in section 5.2 for the delivery of Edinburgh's Christmas (lot 1).
- 4) To note the additional saving in section 5.4 by transferring responsibility for Police Scotland costs to the contractor.
- 5) To approve the commencement of the contract on 24 April 2017 for a period of three years with an option to extend for a further three 12 month periods.
- 6) To approve the income generated from the contracts were allocated to the Culture Service and be utilised in the delivery and enhancement of cultural service provision to the City of Edinburgh Council.

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