

Notice of meeting and agenda

Finance and Resources Committee

10.00am, Tuesday 27 March 2018

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

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

2. Declaration of interests

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

3. Deputations

- 3.1 Edinburgh and Lothians Greenspace Trust in respect of Item 7.12 - Partnership with Edinburgh and Lothians Greenspace Trust (circulated)
- 3.2 Ethical Finance Hub in respect of Item 7.10 – Proposed Lease, Accommodation in Ground Floor West Wing (G1), Waverley Court, Edinburgh (circulated)

4. Minutes

- 4.1 Minute of the Finance and Resources Committee of 23 January 2018 – submitted for approval as a correct record (circulated)
- 4.2 Minute of the Additional Finance and Resources Committee of 8 February 2018 - submitted for approval as a correct record (circulated)

5. Forward planning

- 5.1 Finance and Resources Committee Key Decisions Forward Plan (circulated)
- 5.2 Finance and Resources Committee Rolling Actions Log (circulated)

6 Business Bulletin

- 6.1 Finance and Resources Committee Business Bulletin (circulated)

7. Executive decisions

- 7.1 Award of Contract for Lot 1 Managed Support Services: Children and Young People with Additional Support Needs and: Lot 2 Family Support Volunteer Services – report by the Executive Director of Communities and Families (circulated)
- 7.2 Sickness Absence Policy – report by the Executive Director of Resources (circulated)

- 7.3 Workforce Dashboard – report by the Executive Director of Resources (circulated)
- 7.4 Whistleblowing Policy – report by the Chief Executive (circulated)
- 7.5 Health and Safety Performance in 2017 – report by the Executive Director of Resources (circulated)
- 7.6 Corporate Health and Safety Strategy and Plan 2018 – 2020 – report by the Executive Director of Resources (circulated)
- 7.7 Council Revenue Budget Framework 2018/23 – Impact Assessments Update Report – report by the Chief Executive (circulated)
- 7.8 Spend to Save Funding – Craiglockhart Leisure and Tennis Centre – report by the Executive Director of Resources (circulated)
- 7.9 Property Condition Project – Delivery Programme – report by the Executive Director of Resources (circulated)
- 7.10 Proposed Lease, Accommodation in Ground Floor West Wing (G1), Waverley Court, Edinburgh – report by the Executive Director of Resources (circulated)
- 7.11 Edinburgh Trams Ltd Combined Liability Insurance Tender 2018 – report by the Executive Director of Resources (circulated)
- 7.12 Partnership with Edinburgh and Lothians Greenspace Trust – report by the Executive Director of Place (circulated)
- 7.13 21st Century Homes Small Sites Programme – Dumbryden Phase 2 – report by the Executive Director of Place (circulated)
- 7.14 The EDI Group Ltd - Transition Strategy – report by the Executive Director of Place (circulated)
- 7.15 Award of Contract for the North Bridge Refurbishment – report by the Executive Director of Place (circulated)
- 7.16 Queensferry High School – report by the Executive Director of Communities and Families (circulated)
- 7.17 Contract Awards and Procurement Programme (Period 1 July 2017 to 31 December 2017) – report by the Executive Director of Resources (circulated)

8. Routine decisions

- 8.1 Gas Mains Deed of Servitude – East Mains, Ingliston – report by the Executive Director of Resources (circulated)
- 8.2 Land to the rear of 80 Niddrie Mains Road – Proposed Disposal - report by the Executive Director of Resources (circulated)

- 8.3 Proposed Lease Extension at 107/109 Morrison Street, Edinburgh EH3 8BY – report by the Executive Director of Resources (circulated)
- 8.4 West Granton Road, Edinburgh – Proposed Disposal and Excambion – report by the Executive Director of Resources (circulated)
- 8.5 Lauriston Castle Lodge House and Garden – Proposed Lease – referral from the Culture and Communities Committee (circulated)
- 8.6 Award of Contract for the Purchase of 12 Welfare/Accessible Buses – report by the Executive Director of Place (circulated)

9. Motions

If any

Laurence Rockey

Head of Strategy and Insight

Committee Members

Councillors Rankin (Convener), Donaldson (Vice-Convener), Bridgman, Corbett, Howie, Hutchison, Johnston, Miller, Neil Ross, Watt and Whyte.

Information about the Finance and Resources Committee

The Finance and Resources Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council. The Finance and Resources Committee usually meets every eight weeks.

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

Further information

If you have any questions about the agenda or meeting arrangements, please contact Veronica MacMillan or Blair Ritchie, 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 4085 or e-mail veronica.macmillan@edinburgh.gov.uk / blair.ritchie@edinburgh.gov.uk

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

The agenda, minutes and public reports for this meeting and all the main Council

committees can be viewed online by going to www.edinburgh.gov.uk/meetings

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

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From: Charlie Cumming
Sent: 21 March 2018 09:09
To: Veronica Macmillan ; Blair Ritchie
Subject: Finance & Resource Committee 21st March 2018

Item 3.1

Dear Veronica and Blair

At next weeks meeting one of the papers is to be the Partnership Agreement with Edinburgh & Lothians Greenspace Trust.

If deemed appropriate I would welcome to be given up to 5 mins (deputation?) to provide a brief background to the paper and the opportunity to explain the benefits of the excellent working relationship that ELGT has with the Council.

Please can you let me know if this is possible.

Kind regards

Charlie

From: Chris Tait

Item 3.2

Sent: 21 March 2018 09:30

To: Committee Services

Subject: EFH - Finance and Resources Committee Deputation

Good morning,

Further to a recent meeting and follow-up correspondence with Peter Watton I am writing on behalf of the Ethical Finance Hub (EFH) to request a deputation at the forthcoming Finance and Resources Committee meeting (scheduled for Tuesday 27th March 2018).

If approved my colleagues, and Board members, Graham Burnside and Julian Parrott will attend the meeting to represent the EFH.

I would be grateful if you can let me know the outcome of this request, and any instructions (i.e. timings, location etc), at your earliest convenience.

Item 4.1 - Minutes

Finance and Resources Committee

10.00am, Tuesday, 23 January 2018

Present

Councillors Rankin (Convener), Donaldson (Vice-Convener), Bridgman, Corbett, Howie, Hutchison, Johnston, Miller, Neil Ross, Watt and Whyte.

1. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 7 November 2017 as a correct record.

2. Key Decisions Forward Plan

The Finance and Resources Committee Key Decisions Forward Plan for March 2018 was submitted.

Decision

To note the Key Decisions Forward Plan for March 2018.

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

3. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log was submitted.

Decision

To note the rolling actions log.

(Reference – Rolling Actions Log, submitted.)

4. Asset Management Strategy Transformation Programme - Update

The Committee had previously considered the Asset Management Strategy and requested that an update report be provided every two cycles.

Details were provided on 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 AMS Transformation Programme work streams.
- 2) To note the Management Information dashboard reports provided in Appendix 1 of the report.

(References – Finance and Resources Committee, 24 September 2015 (item 2); report by the Executive Director of Resources, submitted)

5. Outcome of Property Condition Surveys

Details were provided of a history of underinvestment in the Council's building estate over the past two decades, which was now manifesting itself in an increasing number of building issues, a poor condition estate and significant levels of backlog maintenance.

Motion

- 1) To support addressing the identified service delivery and health and safety risks outlined in the report by endorsing the allocation of additional funding, both capital and revenue, to address backlog maintenance issues, to be taken into account in the Council budget setting process for 2018/19 and beyond.
 - 2) To support the allocation of an appropriate and recurring revenue budget to deliver a planned preventative maintenance programme for the future.
- Moved by Councillor Rankin, seconded by Councillor Donaldson.

Amendment

- 1) To support addressing the identified service delivery and health and safety risks outlined in the report by endorsing the allocation of additional funding, both capital and revenue, to address backlog maintenance issues, to be taken into account in the Council budget setting process for 2018/19 and beyond.
- 2) To support the allocation of an appropriate and recurring revenue budget to deliver a planned preventative maintenance programme for the future.
- 3) To agree that following the Council budget being set on 22 February 2018, a report should be brought to the Committee immediately following on mobilising a programme of backlog investment and planned maintenance, detailing:
 - Priority areas for capital investment
 - Priority areas for planned maintenance
 - Remaining shortfalls and implications for the long term financial plan
 - Steps to address longer term planning for maintenance beyond the 5 year time horizon.

- Moved by Councillor Corbett, seconded by Councillor Miller.

In terms of Standing Order 20 (7), the amendment was accepted as an addendum to the motion.

Decision

- 1) To support addressing the identified service delivery and health and safety risks outlined in the report by endorsing the allocation of additional funding, both capital and revenue, to address backlog maintenance issues, to be taken into account in the Council budget setting process for 2018/19 and beyond.
- 2) To support the allocation of an appropriate and recurring revenue budget to deliver a planned preventative maintenance programme for the future.
- 3) To agree that following the Council budget being set on 22 February 2018 a report should be brought to the Committee immediately following on mobilising a programme of backlog investment and planned maintenance, detailing:
 - Priority areas for capital investment
 - Priority areas for planned maintenance
 - Remaining shortfalls and implications for the long term financial plan
 - Steps to address longer term planning for maintenance beyond the 5 year time horizon.

(References – Finance and Resources Committee, 5 September 2017 (item 2); report by the Executive Director of Resources, submitted).

6. Edinburgh Shared Repairs Service and Legacy – Programme Progress Report

The Committee was provided with a progress update for the Edinburgh Shared Repairs Service (ESRS) and the legacy work related to the former Property Conservation Service.

Decision

- 1) To note the update on Edinburgh Shared Repairs Service (ESRS).
- 2) To note the management information dashboard reports in Appendix 1 of the report.
- 3) To note the Project Joule billing and debt recovery update.
- 4) To approve that the delegated authority to write off sums in respect of legacy statutory repairs, due to expire in March 2018, be extended to March 2019.
- 5) To refer the report to the Governance, Risk and Best Value Committee.

(References – Act of Council (No 2), 12 February 2015; report by the Executive Director of Resources, submitted).

7. Revenue Monitoring 2017/18 – Month Eight Position

Details were provided on the projected overall position for the Council's revenue expenditure budget for 2017/18 based on analysis of period eight data.

Decision

- 1) To note that a balanced position for the year continued to be forecast.
- 2) To note that attainment of this position would, however, require active management of risks and pressures, particularly those of a demand-led nature, for the remainder of the year.
- 3) To note the balanced position projected on the Housing Revenue Account (HRA) after making a £11.58m planned contribution towards housing investment.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

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

8. Chief Executive – Revenue Budget Monitoring 2017/18 – Month Eight Position

Details were provided on the projected eight-month revenue budget monitoring position for services reporting directly to the Chief Executive, based on actual expenditure and income to the end of November 2017 and expenditure and income projections for the remainder of the financial year.

Decision

- 1) To note that services reporting directly to the Chief Executive were currently projecting a £0.368 million underspend for 2017/18.
- 2) To note the risks to the achievement of a balanced revenue budget projection.

(References – Finance and Resources Committee, 7 November 2017 (item 6); report by Chief Executive, submitted).

9. Resources Directorate – Revenue Budget Monitoring 2017/18 – Month Eight Position

Details were provided of the projected eight-month revenue monitoring position for the Resources Directorate, based on actual expenditure and income to the end of November 2017 and expenditure and income projections for the remainder of the financial year.

Decision

- 1) To note the Resources Directorate was currently projecting a £1.460 million underspend for 2017/18.
- 2) To note the risks to the achievement of a balanced revenue budget projection.

(References – Finance and Resources Committee, 7 November 2017 (item 6); report by the Executive Director of Resources, submitted).

10. Capital Monitoring 2017/18 - Month Nine Position

Details were provided on the overall position of the Council's capital budget at the month nine position (based on month nine data) and the projected outturn for the year.

Decision

- 1) To note the projected capital outturn position on the General Fund and Housing Revenue Account (HRA) at month nine.
- 2) To note the prudential indicators at month nine.
- 3) To note that the Head of Finance was closely monitoring the capital receipts position.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

(References – Finance and Resources Committee, 7 November 2017 (item 9); report by the Executive Director of Resources, submitted).

11. Internal Audit Quarterly Update Report: Quarter 2- (1 July-30 September 2017) – Referral from the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee on 16 January 2018 considered a report which detailed the Internal Audit reviews completed in Quarter 2 and an update on progress with the overall delivery of the 2017/18 Internal Audit plan.

The report had been referred to the Finance and Resources Committee on the recommendation that the Starters and Local Development Plan and Action Programme audit reports be referred to the appropriate Council Executive Committee for information and further scrutiny.

Decision

To note the attached Starters and Local Development Plan and Action Programme Audit reports.

(References – Governance, Risk and Best Value Committee, 16 January 2018 (item 6); report by the Chief Executive, submitted).

12. Edinburgh Local Development Plan Action Programme 2018 – Financial Assessment

Edinburgh was a successful growing city. To support growth and to ensure the city grew in a sustainable way, new infrastructure provision and enhancements associated with new development had to be delivered.

An update was provided on the financial implications of the infrastructure set out in the Action Programme on future capital and revenue budgets, and the potential funding sources available to the Council to support this infrastructure.

Decision

- 1) To note the adopted Action Programme 2018 in Appendix 1 of the report.
- 2) To note the high-level costs implications arising from the Action Programme as set out in the report.
- 3) To note the next steps to prioritise the delivery of infrastructure arising from the Local Development Plan.

(References – Housing and Economy Committee, 23 January 2018 (item 16); report by the Executive Director of Place, submitted).

13. Annual Report – Debt Write-Off

Committee were advised that Council was required to write off debt where there was little likelihood of debts being recovered. This was good accounting practice and was carried out at the end of each financial year. The Council's Corporate Debt Policy required an annual summary of in-year write-offs to be reported to Finance and Resources Committee. Details were provided of a summary of income streams deemed uncollectable and written off during 2016/17.

Decision

- 1) To note the sums due to the Council that had been written off during 2016/17 and the low value (0.72%) this represented compared to the overall level of income collected.
- 2) To note that write off values for 2016/17 (0.72%) were lower than 2015/16 (0.9%).
- 3) To note that while a debt was written off for accounting purposes, cases would be reviewed, and payment appropriately pursued, if there was a material change in the debtor's circumstances.

(References – Corporate Policy and Strategy Committee, 8 August 2017 (item 13); report by the Executive Director of Resources, submitted).

14. Winding Up of Boyd Anderson Charitable Trust

Committee considered a report that advised the City of Edinburgh Council Charitable Funds (Boyd Anderson Trust) had served its purpose and it was now proposed to transfer all remaining funds held by the charitable trust to the Lagganlia Outdoor Learning Centre to contribute towards the development of a snow sport base.

Approval was sought for the formal winding up of the charitable trust and the transfer of the remaining assets of the charitable trust to the Lagganlia Outdoor Learning Centre.

Decision

- 1) To approve the use of the remaining funds of the Boyd Anderson Trust to contribute to the cost of the new snow sports base at Lagganlia Outdoor Learning Centre.
- 2) To approve the formal winding up of the Boyd Anderson Trust.

(References – Finance and Resources Committee, 28 September 2017 (item 7); report by the Executive Director of Resources, submitted).

15. Workforce Dashboard

Details were provided on employee numbers, trends on absence rates, the cost of the pay bill, the new performance framework, the number of Voluntary Early Release Arrangement/Voluntary Redundancy (VERA/VR) leavers and accumulative budget savings and the number of redeployees and associated costs.

Decision

To note the workforce information contained in the dashboard.

(References – Finance and Resources Committee, 5 September 2017 (item 27); report by the Executive Director of Resources, submitted)

16. Award of Energy Efficient Street Lighting

Approval was sought to award a contract for the Energy Efficient Street Lighting Programme from 6 February 2018 to 31 December 2020.

Decision

- 1) To approve the award of the contract for the Energy Efficient Street Lighting Programme to Amey Highways, for a value of £15.219m, from 6 February 2018 to 31 December 2020.
- 2) To refer the report to Council on 1 February 2018 for approval of spend to save funding of £768,470.

(References – Act of Council (No 11), 19 November 2015; report by the Executive Director of Place, submitted).

17. Castlebrae Care Home and North Merchiston Care Home – Contract Extension with Four Season Health Care

Details were provided of the basis for recommending the extension of existing contracts with Four Seasons Health Care (FSHC) for the management and delivery of residential, nursing and specialist dementia care services to older people at the Council-owned Castlegreen and North Merchiston care homes.

Decision

- 1) To agree to waive Contract Standing Order 9.1 and extend contracts with Four Seasons Health Care (FSHC) for the management and delivery of residential care services at the Council-owned Castlegreen and North Merchiston care homes for the period 1 April 2018 to 31 March 2019 total value of £4,490,657.

- 2) To agree that a further extension to March 2020, based on the fee uplift formula set out in the report, should be delegated to the Interim Chief Officer of the Edinburgh Health and Social Care Partnership.
- 3) To agree to the grant of property lease extensions in respect of Castlegreen and North Merchiston care homes for the period 1 April 2018 to 31 March 2019 with the possibility of a further extension to March 2020.

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

18. Award of Contract for Homelessness Prevention: Street Outreach, Support Hub and Complex Needs Visiting Housing Support Services

Approval was sought to award a contract for the provision of Homelessness Prevention Services including a Support Hub, Street Outreach Service and Visiting Housing Support service for people with complex needs, from 1 April 2018 for a period of three years, with options to extend for a maximum of two further years.

Decision

To approve the award of a contract to Streetwork for Homelessness Prevention Services including a Support Hub, Street Outreach Service and Visiting Housing Support Service from 1 April 2018 for a period of three years, with options to extend for a maximum of two further years and an indicative value of £7.1million.

(References – Finance and Resources Committee, 2 February 2016 (item 11); report by the Acting Head of Safer and Stronger Communities, submitted).

Declaration of Interest

Councillor Corbett declared a non-financial interest in the above item as an employee of Shelter Scotland, left the room and took no part in the consideration of this item.

19. Award of Contract for Homelessness Prevention: Visiting Support for Young People

Approval was sought to award a contract for the provision of Visiting Housing Support Services for Young People for homelessness prevention, from 1 April 2018 for a period of three years, with options to extend for a maximum of two further years.

Decision

To approve the award of a contract to Link Living Ltd for the provision of Visiting Housing Support Services for Young People for homelessness prevention from 1 April 2018 for a period of three years, with options to extend for a maximum of two further years and an indicative value of £2,300,000.

(References - Finance and Resources Committee, 13 May 2015 (item 23); report by the Acting Head of Safer and Stronger Communities, submitted).

Declaration of Interest

Councillor Corbett declared a non-financial interest in the above item as an employee of Shelter Scotland, left the room and took no part in the consideration of this item.

20. Extension of Temporary Accommodation Private Sector Leasing Contract and Increase to Costs

The use of private sector housing was critical to the Council's delivery of temporary accommodation to homeless individuals and families.

The Council had contracted with Link Group under a Private Sector Leasing (PSL) contract to secure leases of up to 1,750 properties and manage the properties during their use for temporary accommodation. The Council's lease agreements with landlords were negotiated, arranged, and managed by Link on behalf of the Council.

Decision

- 1) To refer the report to City of Edinburgh Council for approval of the contract extension and additional costs, as part of the budget setting process on 22 February 2018, and subject to approval by the Board of Link Group.
- 2) To note a proposed increase in lease payments to landlords for one and two bedroom properties up to a maximum of 110% of the applicable Local Housing Allowance (LHA) rate, at an estimated annual cost of £1.241m.
- 3) To note the proposed removal of automatic inflation-based annual rent increases from new lease agreements, with an estimated saving of £0.115m.
- 4) To note a proposed 10% uplift in the management fee at the contract break point, at an additional cost of £0.365m.
- 5) To note that a report would be provided to the Committee in January 2019 providing an update on the number of landlords who were leaving the private sector and the reasons for this.

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

Declaration of Interest

Councillor Corbett declared a non-financial interest in the above item as an employee of Shelter Scotland, left the room and took no part in the consideration of this item.

21. Accelerating Housing Delivery and Brownfield Regeneration – Update Report

Approval was sought to transfer three surplus sites to the Housing Revenue Account (HRA) to support the development of affordable housing and help meet the Council's commitment to deliver a programme to build at least 10,000 social and affordable homes over the next five years, and 20,000 by 2027.

Decision

- 1) To agree the transfer of three sites to the Housing Revenue Account (HRA) for the development of affordable housing for a transfer value of £658,000.

- 2) To note the progress with the development of the original transfer sites approved for transfer to the HRA in February 2015 and March 2017.

(References - Act of Council (No 7), 24 August 2017; report by the Executive Director of Resources, submitted).

22. New Meadowbank Update

An update was provided on the project to provide a new Meadowbank sports centre and associated facilities which included wider regeneration of the existing site through residential and other development.

Decision

- 1) To note the update on progress with the project to deliver a new Meadowbank sports centre and the wider regeneration of the area.
- 2) To note the update on current estimated costs for the sports centre.
- 3) To agree that the main construction contract for the sports centre should also include delivery of key infrastructure for the wider regeneration site.
- 4) To note the update on the proposed funding package and that a further update to Committee would be provided before the main construction contract was awarded.

(References – Act of Council (No 2), 9 February 2017; report by the Executive Director of Communities and Families, submitted).

23. Joint Consultative Group (JCG): Amendment of Constitution

Approval was sought for changes to the constitution for the Joint Consultative Group (JCG). The JCG provided a means of regular consultation between the City of Edinburgh Council and its employees and, where appropriate, submitted views to the Committee for consideration.

Decision

To approve the revised constitution for the City of Edinburgh Council Joint Consultative Group.

(Reference - report by the Chief Executive, submitted).

24. Summary Report on Property Transactions Concluded Under Delegated Authority

Details were provided of all lease agreements and other items concluded in accordance with the Council's 'Scheme of Delegation to Officers'.

Decision

To note the 36 transactions detailed in the Appendix of the report which had been concluded in accordance with the Council's 'Scheme of Delegation to Officers'.

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

25. Proposed New Lease at 54-56 Blackfriars Street, Edinburgh

Approval was sought to grant a new 25 year lease at 54-56 Blackfriars Street to Mr Yilmaz on the terms and conditions outlined in the report.

Decision

To approve a new 25 year lease to Mr Yilmaz of 54-56 Blackfriars Street, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

26. Proposed Lease Extension at Unit 33, the Loan, Viewforthbank Industrial Estate, South Queensferry EH30 9SD

Committee considered a report which sought approval to grant a 10 year lease extension to Lloyds Pharmacy Ltd at Unit 33, the Loan, Viewforthbank Industrial Estate on the terms and conditions outlined in the report.

Decision

To approve a 10 year lease extension to Lloyds Pharmacy Ltd of retail premises at Unit 33, The Loan, Viewforthbank Industrial Estate, South Queensferry, on the terms outlined in the report and on other terms and conditions as agreed by the Executive Director of Resources.

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

27. Deed of Servitude – Land to the South of Glasgow Road, Edinburgh – Gas Main Diversion

Approval was sought for the granting of a deed of servitude for a gas main diversion in connection with the Edinburgh to Glasgow Improvement Programme's Edinburgh Gateway Interchange.

Decision

To approve that Council entered into a deed of servitude with Scotland Gas Networks PLC under the terms and conditions outlined in the report by the Executive Director of Resources and on other terms and conditions to be agreed by the Director.

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

28. Deed of Servitude – Water Supply Over Meggetland Playing Fields

Committee considered a report advising that planning consent was granted for a 60 bed care home (Ref: 12/00789/FUL) adjacent to the north west corner of Meggetland Playing Fields, south of Slateford Railway Station. The development, by Northcare (Scotland) Limited, was nearing completion.

A servitude was required over Council land to formalise the placement of a water supply for the care home.

Decision

To approve the grant of a servitude to Northcare (Scotland) Limited on the terms outlined within the report and on such other terms and conditions to be agreed by the Executive Director of Resources.

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

29. Bus Tracker – Temporary Consultancy Assistance

Details were provided of the existing Bus Tracker contract with Cofely Ineo, which had expired but had continued to operate under the terms of the original contract. Atkins Global were appointed in April 2017 to assist the City of Edinburgh Council's Public Transport Team in carrying out a full system audit of the Bus Tracker system and developing an options appraisal for the future strategy.

Approval was sought for a waiver at a value of approximately £8,000. This payment would extend the current contract with Atkins Global for their assistance in the preparation of tender material.

Decision

To approve the extension of the commission from Atkins Global consultancy services to assist the Council modernise the Bustracker and Real Time Passenger Information.

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

30. Extension of Contracts for Aids for Daily Living

Details were provided of the actions taken to extend contracts with existing suppliers of aids for daily living equipment (ADL) and services under the Urgency Procedure (section 4.1 of the Committee Terms of Reference and Delegated Functions).

The contract extension was undertaken under the Urgency Procedure (section 4.1 of the Committee Terms of Reference and Delegated Functions) to allow adequate time to complete the transition to the Yorkshire Purchasing Organisation (YPO) Framework Agreements. YPO was a local authority-owned national framework provider.

Decision

To note the decision taken under urgency provisions, as described in section 4.1 of the Committee Terms of Reference and Delegated Functions by the Interim Chief Officer, Edinburgh Health and Social Care Partnership, in consultation with the Convener and Vice-Convener of the Finance and Resources Committee, to extend contracts with the existing suppliers of Aids for Daily Living Equipment (ADL) and services.

(References – Finance and Resources Committee, 3 November 2016 (item 22); report by the Interim Chief Officer, Edinburgh Health and Social Care Partnership, submitted).

31. Contract for Dementia Post Diagnostic Support Service

Approval was sought to appoint Alzheimer Scotland – Action on Dementia to provide a Post Diagnostic Support Service for people newly diagnosed with dementia for an initial 3-year period, with the option to extend annually for a further 2 years. This followed a

competitive tender process. The cost of the service was £224,500 per annum, with a total contract value of £1,122,500.

Decision

To approve the award of contract to Alzheimer Scotland – Action on Dementia from 1 April 2018 to 31 March 2021, with annual options to extend for two further years. The total contract value (including extension options) was £1,22,500.

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

32. Resolution to Consider in Private

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

33. Lease Surrender and Exit from 1a Parliament Square, Edinburgh

Committee considered a report on the lease surrender and exit from 1a Parliament Square, Edinburgh.

Decision

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

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

34. Canaan Lane Public Convenience, Morningside: Update on Proposed Sale

Committee considered a report on the proposed sale of Canaan Lane Public Convenience, Morningside, Edinburgh.

Decision

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

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

Item 4.2 - Minutes

Finance and Resources Committee

10.00am, Thursday, 8 February 2018

Present

Councillors Rankin (Convener), Donaldson (Vice-Convener), Bridgman, Corbett, Howie, Hutchison, Johnston, Miller, Neil Ross, Watt and Whyte.

1. Tron Kirk - Edinburgh

(a) Deputation – The Edinburgh World Heritage Trust

The Committee agreed to hear a deputation from Adam Wilkinson from the Edinburgh World Heritage Trust (EWHT), in relation to the proposals for the Tron Kirk, Edinburgh.

The deputation spoke in favour of the possible short term lease for the Tron Kirk and highlighted the following:

- This would be a more appropriate use of the Tron Kirk, permitting an exhibition of both the Old and New Town as introducing Scotland's other world heritage sites and a small but upgraded retail offer.
- This was part of their long term vision for the Tron Kirk to help transform the most historic buildings into the Edinburgh's Heritage Centre.
- In recent decades, the EWHT had competed about 1500 restoration projects. They were committed to community led engagement and had expertise in international best practice.
- The building was category A listed, at risk and significant investment was needed for this building in the long term.
- The retail aspect taking about 30% of the space would sell a selection of premium Scottish and UK source related merchandise.
- The funding for the exhibition will come from the retail partner and additional grants and trusts.

He believed that the Trust's proposals would be telling Edinburgh's story, introducing other world heritage sites and engaging with numerous local

community groups. It could lead to the much larger refurbishment of the building, was sustainable, brought investment and was a low risk solution.

(b) Deputation – The Tron Market Limited

The Committee agreed to hear a deputation from Stuart Ramsay and William Taylor of the Tron Market Limited.

The deputation spoke in favour of continuing with the current arrangements and highlighted the following:

- They represented the numerous traders, makers, designers and small business owners who made up the Tron Market. The traders were very “artisan” and provided a wide range of products for a diverse market.
- There were “trickle down” benefits for other jobs that were involved in manufacturing.
- There were sometimes 3000 visitor per day and the Market and traders consistently received positive feedback.
- They had formed a new business to take the market forward, however, it was difficult to invest when a business was only on a rolling year to year leases.
- They were offering a 44% increase in the current rental income, were completely self-financing and had a single project to promote the building and make it a living, working space that benefited the population of Edinburgh and Scotland.

The Convener thanked the deputation and explained that the report for the Tron Kirk, Edinburgh would be considered by the Committee as part of its private deliberations.

2. Deputation – UNISON

The Committee agreed to hear a deputation from Tom Connolly and Gerry Stovin on behalf of UNISON in relation to the reports on the Revenue Budget Framework 2018/23: Progress Update and the 2018-19 Budget Proposals: Overview of Citizen Engagement Process and Feedback.

The deputation highlighted the following:

- There had been a cut in budget allocation from the Scottish Government to councils in 2017 of £225 m, which had been partly mitigated to changes to council tax bands and the ability to raise council tax.
- Between 2011 and 2017 funding for local authorities had fallen by 8% and about 30,000 council jobs had been cut, with further cuts being proposed.
- Councils had responded to austerity with various methods including cuts to staff, services and the attempted outsourcing of services.
- The UK government should reverse its austerity agenda and the Scottish Government should stop cutting funding to local authorities.

- The Council as employer should recognise its statutory duty of care to staff who were demoralised and overworked.
- If shaped by austerity, the transformation programme was no more than a cost-cutting exercise with negative impacts on staff and services.
- The proposed pay increase should protect staff from inflation.
- Austerity has meant the imposition of £1.5b of efficiency savings local authorities since 2012, who needed dedicated staff who provided services.

To conclude, local authorities had borne the brunt of austerity cuts and the proposed pay increase was unsatisfactory. UNISON had campaigned to prevent cuts, they wanted to defend jobs and services and urged members to do this.

The Convener thanked the deputation for their presentation and invited them to remain for Committee's consideration of the reports by the Executive Director of Resources (item 3) and the Chief Executive (item 4).

3. Revenue Budget Framework 2018/23: Progress Update

Committee considered a report which advised of the implications for the Council following announcement of the Local Government Finance Settlement on 14 December 2017.

Decision

- 1) To note the impact of the provisional 2018/19 Local Government Finance Settlement on the 2018/23 revenue budget framework.
- 2) To note the officer recommendations in allocating additional available grant funding relative to framework assumptions.
- 3) To note, nonetheless, the estimated remaining savings requirements across the overall period of the framework.
- 4) To refer the report to Council as part of the budget-setting process.

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

4. 2018-19 Budget Proposals: Overview of Citizen Engagement Process and Feedback

Details were provided of the structure of the budget engagement campaign and the key actions taken to ensure citizens and other stakeholders were meaningfully engaged. The report summarised the overall level of response and emerging themes from feedback to the Council's budget engagement process.

Decision

- 1) To note the report.
- 2) To refer the report to Council as part of setting the 2018/19 revenue budget framework.

(Reference – report by the Chief Executive, submitted.)

5. Council Budget 2018/23 – Risks and Reserves

Details were provided on the risks inherent in the revenue and capital budget framework and the range of measures and provisions established to mitigate these.

Decision

- 1) To note the report.
- 2) To remit the report to the City of Edinburgh Council for decision on 22 February 2018 as part of the budget-setting process.

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

6. Capital Investment Programme 2018/19 to 2022/23

Details were given of the Capital Investment Programme, which set out the planned investment for the period 2018/19 to 2022/23, which was based on the Capital Plan and included proposals whereby the Council could use additional resources to address some of its capital priorities.

Decision

- 1) To note the report and remit to Council's budget meeting of 22 February 2018 the 2018-2023 Capital Investment Programme.
- 2) To note that the announcement of the Finance Settlement made in December 2017 indicated a general capital grant for 2018/19 of £49.405m which exceeded the Council's previous indicative plans by £4.905m and that this amount remained unallocated.
- 3) To note that the announcement of the Finance Settlement made on 14 December 2017 indicated specific capital grants for Development Management Funding of £27.950m and Cycling, Walking and Safer Streets of £0.691m.
- 4) To agree that £5m of any available budget resulting from the underspend against the Water of Leith Phase 2 project be transferred to the North Bridge refurbishment project, subject to approval by full Council.
- 5) To note that following the proposed update to the capital plan in Appendix 1 of the report by the Executive Director of Resources, £179.805m remained unallocated. Within this was an amount of £160.9m from additional borrowing repayable from the General Fund revenue budget subject to the achievement of a balanced overall position across the 2018/23 revenue budget framework.
- 6) To note the up to date analysis of unfunded service priorities and pressures set out within the report.
- 7) To note the recommended use of the additional resources to address some of the Council's capital investment priorities and remit to Council for decision on 22 February 2018 in the context of infrastructure needs, priorities and

existing Council commitments.

- 8) To request a briefing note to members on the proposals for the Wave 4 Schools Programme.

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

7. Accounts Commission – Local Government in Scotland – Financial Overview – Referral from the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee on 16 January 2018 considered a report detailing the Accounts Commission's Scotland-wide review of local government financial performance for 2016/17 which was published in November 2017.

The report had been referred to the Finance and Resources Committee for its consideration in the context of setting the Council's 2018/23 revenue and capital budget framework.

Decision

To note the report by the Executive Director of Resources, in the context of the Council's 2018/23 revenue and capital budget framework.

(References – Governance, Risk and Best Value Committee on 16 January 2018 (item 7); report by the Chief Executive, submitted)

8. Council Revenue Budget Framework (2018-2023) – Impact Assessments

A summary was provided of the main potential equality, rights and environmental impacts of proposals described within the draft Revenue Budget Framework 2018-23, and recommendations were identified for mitigating potential negative equality and rights impacts alongside an assessment of cumulative impacts.

Decision

- 1) To note the potential equality, rights and environmental impacts associated with the revenue budget 2018-23 proposals, and the recommendations to mitigate potential negative impacts.
- 2) To note the cumulative equality, rights and environmental impacts across all revenue budget options.
- 3) To refer the report for consideration at the Council budget-setting meeting on 22 February 2018.
- 4) To note that a summary of the principal findings emerging from all Integrated Impact Assessments undertaken would be reported to the Committee's next meeting on 27 March 2018.

(Reference – report by Chief Executive, submitted)

9. Housing Revenue Account Budget Strategy 2018-2023

Details were provided of the proposed Housing Revenue Account (HRA) budget, draft five year capital programme, and the rent levels for 2017/18.

Decision

- 1) To agree to refer the 2018/19 HRA budget, draft five-year capital investment programme, and the rent levels for 2018/19 set out in Appendices 4 and 6 of the report by the Executive Director of Place to the Council budget meeting for approval.
- 2) To note the progress being made on delivery of Council commitments to tenants, particularly in the delivery of new affordable and low-cost homes.

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

10. Edinburgh Leisure – Pension Guarantee

The Council has been asked by Edinburgh Leisure (EL) to act as a guarantor for its pension arrangements with Lothian Pension Fund (LPF), thus enabling EL to continue to fund its pension obligations using the “ongoing basis” to minimise the impact of pension increases on its budget.

Decision

- 1) To note the report.
- 2) To refer the report to Council for approval to act as a pension guarantor for Edinburgh Leisure.
- 3) To agree that any further requests from organisations seeking pension liability guarantees should be considered on their own merits.

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

11. Resolution to Consider in Private

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraphs 6, 8 and 10 of Part 1 of Schedule 7(A) of the Act

12. Tron Kirk, Edinburgh

On 8 September 2016, the Finance and Resources Committee had considered a report on the lease on the Tron Kirk.

Committee considered a report which provided an update on the short and longer term proposals for the Tron Kirk, highlighted options available to the Council and sought Committee instructions on how to proceed.

Motion

1) To note:

- That the Tron Kirk was a grade A listed building which was acquired by the Council in 1952 and had largely lain empty and neglected over a number of years.
- The building currently sat on Historic Environment Scotland's listed buildings at risk register.

2) To further note:

- It was now over four years since a decision was taken to authorise the principle of leasing the Tron to Edinburgh World Heritage Trust (EWHT), subject to a robust business case, in order to conserve the building and use it as a focal point for visitors to Edinburgh's World Heritage site.
- The subsequent delays to this long term plan because EWHT was not in a position to take over the building and the decisions made on the short term use of the property.
- The current position on lease of the Tron and the options available to the Council budget.

3) Given the lengthy period which has elapsed since the initial decision on the long term use of the building, to agree:

- That the best option for moving this forward was Option B, i.e. to continue with the current arrangements at a revised rent and place the property on the open market as a long term investor opportunity.
- That, given the nature of the building and the fact that it was considered to be part of Edinburgh's heritage, to instruct officers to design an appropriate tender process with the key aim of ensuring that the heritage of the building was protected in the long term and that this was reflected in the intended use of the building.
- That the evaluation of bids be carried out independently of the Council by an appropriate organisation(s), to be determined by the Executive Director of Resources in consultation with the Convener and Vice Convener, with final approval of the lease being made by the Finance and Resources Committee.

- moved by Councillor Rankin, seconded by Councillor Donaldson.

Amendment

1) To note the current position regarding the proposed redevelopment of the Tron Kirk.

2) To confirm support of Option A as detailed in the report by the Executive Director of Resources, namely a short term lease to EWHT on the terms outlined in paragraph 3.5 of the report plus long-term redevelopment lease.

- moved by Councillor Hutchison, seconded by Councillor Johnston.

Voting

For the motion: 5 votes

(Councillors Bridgman, Donaldson, Howie, Rankin and, Watt).

For the amendment: 6 votes

(Councillors Corbett, Hutchison, Johnston, Miller, Neil Ross and Whyte).

Decision

- 1) To note the current position regarding the proposed redevelopment of the Tron Kirk.
- 2) To confirm support of Option A as detailed in the report by the Executive Director of Resources, namely a short term lease to EWHT on the terms outlined in paragraph 3.5 of the report plus long-term redevelopment lease.

(References – Finance and Resources Committee 8 September 2016 (item 16); report by the Executive Director of Resources, submitted)

Finance and Resources Committee – 27 March 2018

12 June 2018

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Council Commitments
1.	Spend to Save Proposals	12 June 2018		Executive Director of Resources Lead Officer: Fraser Rowson 0131 469 3166 fraser.rowson@edinburgh.gov.uk	
2.	Revenue Budget Framework 2018-23 Update	12 June 2018		Executive Director of Resources Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	
3.	Workforce Dashboard	12 June 2018		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk	
4.	Performance Management Framework and Policy	12 June 2018		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Council Commitments
5.	Financial Update – Business Bulletin	12 June 2018		Executive Director of Place Lead Officer: Karl Chapman 0131 228 8589 karl.chapman@edinburgh.gov.uk	
6.	National Care Home Contract	12 June 2018		Interim Chief Officer, Health and Social Care Partnership Lead Officer: Moira Pringle 0131 529 3659 moira.pringle@edinburgh.gov.uk	
7.	Partnership Performance Framework	12 June 2018		Head of Safer and Stronger Communities Lead Officer: Harry Robertson 0131 553 8237 harry.robertson@edinburgh.gov.uk	
8.	Community Payback Order Annual Report 2016/17	12 June 2018		Head of Safer and Stronger Communities Lead Officer: Harry Robertson 0131 553 8237 harry.robertson@edinburgh.gov.uk	
9.	Antisocial Behaviour Strategy 2016-2019	12 June 2018		Head of Safer and Stronger Communities Lead Officer: Harry Robertson 0131 553 8237 harry.robertson@edinburgh.gov.uk	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Council Commitments
10.	CCTV Working Group	12 June 2018		Head of Safer and Stronger Communities Lead Officer: Harry Robertson 0131 553 8237 harry.robertson@edinburgh.gov.uk	
11.	Edinburgh Catering Services	12 June 2018		Executive Director of Resources Lead Officer: Christopher Ross 0131 christopher.ross2@edinburgh.gov.uk	
12.	New Lease – Festival Theatre	12 June 2018		Executive Director of Resources Lead Officer: Amanda Fraser 0131 529 5931 amanda.fraser@edinburgh.gov.uk	
13.	Land at Swanston	12 June 2018		Executive Director of Resources Lead Officer: Graeme McGartland 0131 529 5956 graeme.mcgartland@edinburgh.gov.uk	
14.	New Lease at Hawes Pier – Forth Belle	12 June 2018		Executive Director of Resources Lead Officer: Lesley Dryden 0131 529 4600 lesley.dryden@edinburgh.gov.uk	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Council Commitments
15.	New Lease at Hawes Pier – Maid of the Forth	12 June 2018		Executive Director of Resources Lead Officer: Lesley Dryden 0131 529 4600 lesley.dryden@edinburgh.gov.uk	
16.	Overhead Power Lines at Sir Harry Lauder Road	27 March 2018		Executive Director of Resources Lead Officer: Mark Penman 0131 529 4188 mark.penman@edinburgh.gov.uk	

Finance and Resources Committee

27 March 2018

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1.	23/02/2017	Strategic Direction for Tackling Homelessness	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.	Head of Safer and Stronger Communities	June 2018		The Homelessness Task Force is due to report back with its final recommendations around future service delivery in June 2018. The most appropriate way to report back to F&R would be a referral of that report when it becomes available.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
2.	5/09/2017	Revenue and Capital Budget Framework 2018/23 – Progress Update	To agree that a further report be submitted following the publication of the Scottish Government's response to the Barclay Review, and that this report would outline the implications for the council and service users.	Executive Director of Resources	8 February 2018	8 February 2018	Report considered by F+R Committee on 8 February 2018 – closed.
3.	26/10/2017	Capital Investment Framework 2018/19-2026/27	To note that a further report on the capital investment framework would be considered by Finance and Resources Committee in January 2018.	Executive Director of Resources	8 February 2018	8 February 2018	Report considered by F+R Committee on 8 February 2018 – closed.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
4.	7 November 2017	Revenue Budget Framework 2018/23 – Mid-Year Review -	To ask the Executive Director of Resources to prepare a four year plan to address the forecast savings gap, based on the wider themes set out in the report and taking into account the Council's priority outcomes.	Executive Director of Resources	30 September 2018		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
5.	23 January 2018	Asset Management Strategy Transformation Programme - Update	To agree that the Executive Director of Resources would provide members with a briefing note to be circulated by Committee Services to clarify the impact of changes to the capital programme that were proposed so that they could be taken into account, and any impacts from the capital programme that were proposed so that they could be taken into account.	Executive Director of Resources	As soon as possible.	12 February 2018	Briefing note circulated to elected members – closed.
6.	23 January 2018	Outcome of Property Condition Surveys	1) To agree that following the Council Budget meeting on 22 February 2018 a report would be brought to Committee immediately following on mobilising a programme of backlog	Executive Director of Resources	27 March 2017		Report going to the Finance and Resources Committee on 27 March 2018 – closed.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>investment and planned maintenance, detailing priority areas for capital investment, priority areas for planned maintenance, remaining shortfalls and implications for the long term financial plan and steps to address longer term planning for maintenance beyond the 5 year time horizon.</p> <p>2) To agree that Committee Services would circulate a list of C and D rated operational buildings to members.</p>				
7.	23 January 2018	Edinburgh Shared Repairs Service (ESRS) and Legacy - Programme Progress Report	To agree that the Executive Director of Resources would provide a briefing note for new members containing detail	Executive Director of Resources	As soon as possible	1 February 2018	Briefing note circulated to members – closed.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			on Legacy, to be circulated by Committee Services.				
8.	23 January 2018	Annual Report – Debt Write-Off	To agree that the Executive Director of Resources would provide further clarification to Councillor Corbett on why the Council was not recovering the same level of parking debt compared to previous years, and to Councillor Ross on the amount of debt that might be recovered via property inhibitions in respect of statutory repairs, care homes and council tax.	Executive Director of Resources	As soon as possible	23 January 2018	Briefing notes circulated – closed.
9.	23 January 2018	Workforce Dashboard	To agree that the Executive Director of Resources would provide Councillor Hutchison with the number of staff that had been on the redeployment register long-term.	Executive Director of Resources	As soon as possible	27 March 2018	The information will be provided in the Workforce Dashboard report – closed.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
10.	23 January 2018	Award of Energy Efficient Street Lighting Programme	To agree that the Chief Procurement Officer would provide a briefing note to members to clarify the reason for the length of time taken to award the contract, to be circulated by Committee Services.	Chief Procurement Officer	As soon as possible	1 February 2018	Briefing note circulated – closed.
11.	23 January 2018	Joint Consultative Group (JCG): Amendment of Constitution	To agree that the Executive Director of Resources would provide Councillor Hutchison with the percentage of staff who were members of trade union and if non-union members of staff could be represented at the Joint Consultative Group.	Executive Director of Resources	As soon as possible		Ongoing
12.	23 January 2018	Lease Surrender and exit from Parliament Square, Edinburgh	To agree that the Executive Director of Resources would provide an update on the negotiation process for the Lease Surrender and Exit	Executive Director of Resources	As soon as possible	12 March 2018	Legal documentation for lease surrender now in agreed form. Remaining council staff will vacate 1A Parliament Square by 23 March with full

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			from 1A Parliament Square.				clear out of the building and hand back to the landlord on 30 March 2018 – closed.
13.	8 February 2018	Capital Investment Programme 2018/19 to 2022/23	To agree that the Executive Director of Resources would provide a briefing note to members on the Wave 4 Schools Programme.	Executive Director of Resources	As soon as possible	14 February 2018	Briefing note was circulated to elected members – closed.



Item 6.1 - Business bulletin

Finance and Resources Committee

10.00am, Tuesday 27 March 2018

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

Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Cllr Alasdair Rankin</p>  <p>Vice – Convener Councillor Donaldson</p> 	<ul style="list-style-type: none"> ▪ Councillor Bridgman ▪ Councillor Corbett ▪ Councillor Howie ▪ Councillor Hutchison ▪ Councillor Johnston ▪ Councillor Miller ▪ Councillor Neil Ross ▪ Councillor Watt ▪ Councillor Whyte 	<p>Veronica MacMillan Team Leader, Committee Services Tel: 0131 529 4283</p> <p>Joanna Hamilton-Rigg Service Policy Adviser Tel: 0131 529 5219</p>

Recent news	Background
<p>Register of Common Good Assets: Update</p> <p>Part 8 of the Community Empowerment (Scotland) Act 2015 places new duties on local authorities in relation to common good property. The Scottish Government consulted on statutory guidance related to these processes during 2017 and final guidance is due to be published later this year, anticipated before the summer.</p> <p>In advance of the Community Empowerment legislation, the Capital Coalition budget motion, approved by Council on 21 January 2016, included an instruction to the Chief Executive to allocate funding to develop and maintain a common good asset register.</p> <p>The initial focus of the team of Council staff, comprising a solicitor, surveyor, property research officer and archivist, has been on those properties historically considered by the Council</p>	<p>For further information:</p> <p>Peter Watton, Head of Property and Facilities Management Tel: 0131 529 5962</p>

to be common good. The focus now is on research related to parks and other assets with a public function and it is proposed to add these assets to the provisional draft register as they are confirmed.

The approved budget allocation set in 2016 anticipated a spend of £100,000 during 2016/17 rising to £250,000 in 2017/18 and 2018/19, then £150,000 in 2019/20. At that time, it was anticipated that Scottish Government Guidance on common good property would be issued in summer 2017. Owing to the ongoing uncertainty regarding the content and timing of the guidance the expected spend has been reprofiled as follows:

Approved funding allocation	2017-18	2018-19	2019-20	Total
	£250,000	£250,000	£150,000	£650,000
Reprofiled funding	£110,000	£180,000	£360,000	£650,000

The underspend against budget will be carried forward in the funds for specific investment reserve to be used explicitly against the reprofiled spend, as required and when required. This will be reported to Finance and Resources Committee as part of the Risks and Reserves report.

This will enable due consideration to be given to public consultation responses once the draft register is published in accordance with the guidance.

It is suggested that this update is referred to the Corporate Policy and Strategy Committee for information as they previously [received a report](#) on the Common Good Assets Register and is currently listed on their rolling action log.

Committee Services to refer to Corporate Policy and Strategy Committee

Members of the Finance and Resources Committee attended a workshop to review the Treasury Annual Strategy on 27 February. The workshop was presented by the Principal Treasury and Banking Manager and Corporate Finance Senior Manager and provided Committee members with an opportunity to review the strategy for 2018-19 ahead of the Council meeting in March. Key points set out within the strategy are:

For further information:
[Hugh Dunn](#), Head of Finance
 Tel: 0131 469 3150

- The Council's total capital expenditure is forecast to be £1.361bn between 2018/19 and 2022/23;
- The Council's underlying need to borrow at 31 March 2023 is forecast to be £1.828bn
- Between 1 April 2018 and 31 March 2023, £258m of the Council's external debt is due to mature;
- It is intended to continue to fund the Council's Capital Financing Requirement from temporary investment balances over the next year;
- The opportunity to mitigate future interest rate risk with alternatives to the PWLB will continue to be sought and the risk locked out where appropriate; and
- Investment return is forecast to remain low in absolute terms in 2018/19, but higher than recent years.

Tourism in Edinburgh

The Culture and Communities Committee on 30 January 2017 considered [a report](#) on tourism in Edinburgh in response to a [motion](#) by Councillor Mowat at Council on 24 August 2017. The report detailed Edinburgh 2020, the Edinburgh Tourism Strategy, as developed by the Edinburgh Tourism Action Group (ETAG).

The Committee agreed to note the report, to receive proposals to establish a joint elected member working group (including members from Culture and Communities, Housing and Economy and Transport and Environment) to a future meeting and to recommend greater resident representation on the Edinburgh Tourism Action Group.

The report was referred to the Finance and Resources Committee for information.

For further information:

Executive Director of Place
0131 529 7325
paul.lawrence@edinburgh.gov.uk

Jim Galloway –
Service Manager,
Economic Development
0131 529 3211
jim.galloway@edinburgh.gov.uk

[Managing our Festival City – Report and Scorecard](#)

Forthcoming activities

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Finance and Resources Committee

10am, Tuesday, 27 March 2018

Award of Contract for Lot 1 Managed Support Services; Children and Young People with Additional Support Needs and; Lot 2 Family Support Volunteer Service

Item number	7.1
Report number	
Executive	
Wards	
Council Commitments	

Executive Summary

This report seeks the approval of the Finance and Resources Committee to award a contract for the provision of Lot 1 Managed support services; Children and Young People with Additional Support Needs and Lot 2 Family Support Volunteer Service.

The contract duration will be for 36 months, with an option to extend for up to a further two periods of 12 months each. The contract start date will be 1st May 2018.

The total estimated value of the contract to the Council, including extensions, is £7,674,080.

Report

Award of Contract for Lot 1 Managed Support Services; Children and Young People with Additional Support Needs and; Lot 2 Family Support Volunteer Service

1. Recommendations

- 1.1 The Finance and Resources Committee approves the award of contracts to:
- 1.2 The ASL Consortium (Barnardo's Scotland, Children 1st and Canongate Youth) for the provision of Lot 1 Managed Support Services; Children and Young People with Additional Support Needs from 1 May 2018 for a period of 36 months, with options to extend for a maximum of two 12-month periods at an estimated value of £6,934,580.
- 1.3 Safe Families for Children Scotland for the provision of Lot 2 Family Support Volunteer Service from 1 May 2018 for a period of 36 months, with options to extend for a maximum of two 12-month periods at an estimated value of £744,000.

2. Background

- 2.1 The Council is committed to providing high quality support for children with additional support needs in Edinburgh. Additional support needs fall broadly into four categories: English as an additional language, a disability need or a health need, and social and emotional factors.
- 2.2 The Council's internal additional support for learning (ASL) service is made up of teachers, support staff and allied health professionals with specialist knowledge in supporting the needs of learners with additional support needs. The service works collaboratively with a wide range of partner services and education establishments across Edinburgh, supporting the needs of learners from age 0-18. This also includes third sector organisations.
- 2.3 The need for these services is anticipated to grow by 12% between 2017 and 2022 due to population growth. Recognising this rapid growth, as well as the increase in Nursery hours for 3 and 4-year olds from 600 to 1,140 hours per year by 2020, has presented the Council with the opportunity to review how it delivers ASL services and shift the emphasis to early intervention and preventative work.
- 2.4 Evidence shows that investing in effective early intervention strengthens schools and parental capacity and helps to develop effective partnership leading to improving outcomes for children and young people. It can also prevent the need for

longer term and more intrusive and costly intervention, such as residential school placements.

- 2.5 Combined with the need to comply with recent procurement rules which require the transparent advertising of contract opportunities the decision was taken to review current provision and tender the requirement to meet the needs of a growing population. The aim of the all encompassed services (Lot 1 and Lot 2) is to reduce the number of children requiring to be looked after, reduce the number of children who are not in education, employment or training and improve school attendance with providers who work in partnership in a restorative and proactive manner to improve outcomes.

3. Main report

- 3.1 From January 2017, the Communities and Families team engaged with young people, parents and carers, Headteachers and providers through questionnaires and focus groups. These consultations gathered feedback on current services and suggestions on how the Council could improve the service. This feedback helped formulate content and discussion points for a public co-production event and the brief for the new service.
- 3.2 A Prior Information Notice (PIN) was published via Public Contracts Scotland on 22 February 2017. The PIN, which provides transparency by making interested parties aware of the future contract opportunity, provided briefing information and advertised the co-production event which was held on the 23 March 2017. The event was attended by representatives from 19 third sector organisations and a range of Council officers from Communities and Families.
- 3.3 The event offered the opportunity through an open space approach, for providers and other interested parties to input into the stop/start/keep discussion regarding the service and what they believed would be in the best interests of service users. This process collates information in relation to the service; what do we stop doing, what do we start doing and what do we keep doing? In addition, the Council emphasised at the event that it required partners who would work together to deliver the main priorities of the service.
- 3.4 On the 7 April 2017, the outcomes of the co-production event were shared with the providers who attended to ensure full comprehensive feedback was completed. The full spectrum of information was gathered (current specifications, engagement feedback, co-production outcomes and council officer knowledge) to develop the new specifications for both Lot 1 and Lot 2 services.
- 3.5 The message that collaborative and partnership working between providers was to be encouraged was clearly acknowledged as the Council received a combined proposal from providers for a Public Social Partnership (PSP) to be formed. This proposal was considered by council officers. As a PSP is more appropriately used

to trial or pilot a service rather than deliver existing services, and the process can be more time and resource intensive, it was considered inappropriate in this instance. Any process to select partner providers would still require to be openly and transparently advertised.

- 3.6 For Lot 1; The Managed Support Services, the outcome of the co-production process highlighted the need for a consistent collaborative service. A lotted approach was considered to separate the individual component parts, however it was deduced that a single service approach with providers working collaboratively with each other would offer a more seamless service to children and families. This approach also lends to easier contract management and consistency when Council staff resource are increasingly stretched due to budget pressures.
- 3.7 The council stated within the specification for Lot 1: The Council values a collaborative 'one service' ethos, whereby services work together with a common understanding of a child's or young person's personal and cultural identity, strengths, needs and aspirations and the factors that impact upon achieving equitable positive outcomes."
- 3.8 As an outcome of the co-production process and to ensure a long-term strategy of strengthening early intervention in the context of rising demand, extra funding of £206,000 was identified for the first three years of the contract for 'Information Advice, Consultancy and Awareness Raising'. The aim at the end of the three years was to provide a framework of support including information, guidance and peer support and reduce the need for escalation to costlier intensive support.
- 3.9 For Lot 2, the Family Support Volunteer Service; this is a new service which was developed to support parents and primary care-givers to maintain children in their homes and to prevent the need for children to be Looked After by the local authority whenever safe to do so. The Council aims to support and encourage local communities to develop support networks for local parents and carers who are facing adverse circumstances and who are isolated from supports. A trained volunteer network is key to the design of this service.
- 3.10 The Council took steps to ensure that smaller organisations would not be excluded from the tender process, through early engagement with providers. The tender also allowed for part of the specification to be sub-contracted.
- 3.11 The final open tender was published on the 21 September 2017.
- 3.12 A summary of the tender process is provided at Appendix 1 of this report.
- 3.13 For Lot 1, one consortium tender was received by the deadline of 23rd October 2017. Although the notice received 34 notes of interest, there were potentially high Transfer of Undertakings (Protection of Employment) regulations (TUPE) costs associated with original contracts due to the provision being service based.
- 3.14 For Lot 2, two bids were received by the deadline of 23 October 2017.

- 3.15 All tenders were evaluated based on most economically advantageous tender (MEAT), weighted 70:30 for quality and price. Quality being of greater importance due to the nature of the service.
- 3.16 Three tenders were assessed as meeting the qualification criteria and were therefore taken forward for evaluation of technical (quality) content. The quality assessment was undertaken by a varied team including Headteachers, a senior Social Work manager and a commissioning specialist.

Lot	Provider	Quality	Price	Total
Lot 1	The ASL Consortium	50/70	30/30	80/100

Lot	Provider	Quality	Price	Total
Lot 2	Safe Families for Children Scotland	48/70	29/30	78/100
Lot 2	Provider 2	21/70	30/30	51/100

- 3.17 The recommendation for award of contract is based on the applicants' score and the outcome of further due diligence to ensure that robust and fit for purpose service(s) will be in place. The designated Contract Manager in Communities and Families will be responsible for contract and supplier management, and will work closely with all providers to ensure that outcomes are achieved.
- 3.18 An implementation plan has been agreed with providers to ensure smooth transition of any services impacted by TUPE.

4. Measures of success

- 4.1 The contract price is a fixed annual fee for the service for the duration of the contract, with greater understanding of the full costs being applied to the service.
- 4.2 As an outcome of the new contract, the changes within the service will be encouraging stronger links with children, parents and carers to build more restorative and capacity building relationships.
- 4.3 By awarding these contracts and investing in effective early intervention there will be a continuation of a service which strengthens schools, parents and partnership, improves outcomes and reduces the need for longer term and more intrusive and costly intervention. This will be monitored as part of the contract management.
- 4.4 The specifications will be flexible and adaptable and may be used as a change mechanism throughout the initial 3-year term, in agreement with Council officers.

- 4.5 As part of the procurement process, the provider(s) confirm that they pay staff Scottish Living Wage rates as a minimum.
- 4.6 The long-term contract will provide more stability to the provider and service users, which will allow for long-term planning of funds. This will enable the provider(s) to plan resource accordingly to build help build resilience and early intervention support through the initial three years of the contract as the budget is set to reduce from years 4 and 5 (possible extension period).

5. Financial impact

- 5.1 The total budget for these contracts is set at £7,678,580.
- 5.2 The proposals from all providers come within budget.
- 5.3 Within Lot 1, the ASL Consortium are providing added value to the service (additional funding) to support the outcomes of the contract throughout the full term. This has been detailed as a value of £185,849 per annum.
- 5.4 Providers will also seek additional funding to enhance service provision e.g. Holiday Fund, the Hardship Fund, Trusts/Foundations, Capital City Partnership funded contracts. This may include funding from Scottish Government (£20k) and the NHS (£19.5k). Providers have also committed to provide individual grants (£500) to families to pay for essential items e.g. clothes and equipment.
- 5.5 Safe Families for Children Scotland are providing £38,500 of additional value through grant funding and other initiatives.
- 5.6 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

6. Risk, policy, compliance and governance impact

- 6.1 This is a high-risk provision due to the high value and the purpose of the service is to help vulnerable families. The provider(s) will therefore be required to evidence acceptable arrangements in respect of business continuity and will link in with the Council's Senior Resilience Specialist.
- 6.2 This contract opportunity has been subject to much media and political scrutiny, with regards to a small component part of the service within the level 1 intervention Lot 1. Further due diligence has been completed to ensure that families receiving this service will not be disadvantaged by any change in provider.
- 6.3 The ASL Consortium have assured Council officers that their proposed service to replace the ASL helpline will include a Parentline (with established links to Enquire for additional training). The Parentline will provide further added value as it will not only specialise in ASL requirements but will provide a holistic support for parents/carers. With the Additional funding of the £206,000 per annum, being used

to support other restorative initiatives which will build peer group and community based services.

- 6.4 The ASL Consortium have passed all financial risk assessments.
- 6.5 As part of the financial risk assessment for Lot 2, it has been determined that extra measures will be required to support Safe Families for Children Scotland to reduce risk and impact of failure. This will include 13 payments throughout the year to support cashflow and the contract will be monitored closely by finance and the service area designated contract manager. Additional financial guarantees will be sought from Safe Families for Children Scotland.

7. Equalities impact

- 7.1 An Equalities Impact Assessment was completed on 11 April 2017 with service reference number 2017CF17. All recommendations have been addressed throughout the process.

8. Sustainability impact

- 8.1 No significant environmental impacts are expected to arise from this contract.
- 8.2 This procurement has adhered to policy on Sustainable Procurement and Implementing Community Benefits guidance.
- 8.3 Community benefits offered by the ASL Consortium includes the Cashback for Communities Fit for work programme and the Council will receive 3 allocated places. Also included is ESF Employability support, a Care leavers package and the Community Jobs Scotland Initiative which is the creation of 6 'Community Job' positions during the contract to support the service. Through supporting local organisations, the provider(s) will host a city-wide learning event and investigate into taking a stand at the Scottish Learning Festival to share learning.
- 8.4 Community benefits offered by Safe Families for Children Scotland includes Student Placements. Safe Families have developed a relationship with Edinburgh University School of Social Work and Political Science and will offer a 6-month training opportunity for students. In addition, they regularly help schools with the yearly Youth Philanthropy Initiative. This enables students who wouldn't otherwise know about family support to research this for a public presentation. The provider also links in with local churches to support families in other ways through a whole range of children's activities, parent and toddler groups, food banks, debt services, counselling and addiction services.
- 8.5 The designated Contract Manager will be responsible for monitoring delivery and reporting of community benefits by individual providers. In addition, the Contract Manager will link in with the Council's Employability team to ensure that the

Community Benefits are targeted for use with specific people who require the opportunity.

9. Consultation and engagement

9.1 Please refer to main report.

10. Background reading/external references

10.1 The Edinburgh Integrated Plan for Children and Young Person's Services (2017-20)

10.2 http://dera.ioe.ac.uk/29631/1/Safe_Families_IP_evaluation_report.pdf

Alistair Gaw

Executive Director for Communities and Families

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11. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	CT0526	
Contract Period	3 years with the option to extend by a further 24-month period	
Estimated Total Contract Value (including extensions)	Lot 1 – £6,934,580 Lot 2 - £744,000	
Procurement Route Chosen	Open OJEU tender under the Light Touch Regime	
Tenders Returned	3	
Name of Recommended Supplier(s)	Lot 1 - The ASL Consortium (Barnardo's Scotland, Children 1 st and Canongate Youth) Lot 2 – Safe Families for Children Scotland	
Price / Quality Split	Quality 70	Price 30
Lot 1	Criteria	Weighting (%)
Evaluation Criterion and Weightings	Effective collaboration and mobilisation of peer-peer, co-production, volunteers, community resources and technology	15%
	Management and Staffing	10%
	Service delivery	40%

	Implementation and Contract Management	10%
	Equalities	5%
	Added Value	10%
	Community Benefits	5%
	Fair Work Practices	5%
Lot 2	Criteria	Weighting (%)
	Volunteer recruitment, vetting, training and support.	40%
Evaluation Criterion and Weightings	Management and Staffing	10%
	Service delivery	20%
	Implementation and Contract Management	10%
	Equalities	5%
	Added Value	5%
	Community Benefits	5%
	Fair Work Practices	5%
Evaluation Team	Council Officers from Communities and Families	

Finance and Resources Committee

10.00am, Tuesday 27 March 2018

Sickness Absence Policy

Item number	7.2
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

The new Sickness Absence Policy will replace the Managing Attendance Procedure, which has been in use since 2012. The policy focuses more on the promotion of employee wellbeing, and makes it's easier to follow.

In recognition of the fact that some sickness absence is inevitable, and in support of our commitment to supporting employees in a consistent, fair and sympathetic way, we have adjusted the sickness absence triggers in relation to instances of sickness absence. Additionally, we have clearly set out our expectations of how sickness will be managed, adjusted the impact on pay and set out explicit exceptions thereby making the absence process clearer and fairer through more consistent practice for all parties concerned.

Sickness Absence Policy

1. Recommendations

- 1.1 This report recommends Committee approve the new the Sickness Absence Policy; and
- 1.2 In addition to our standard review process, a report will be brought to committee 12 months after implementation of this policy to review its impact and make any further recommendations for potential improvement.

2. Background

- 2.1 The Managing Attendance Procedure was approved by Committee on 24 January 2012. It was hoped that the Council would be able to achieve the sickness absence target of 4%. While this was achieved in the short-term, there has been no sustained improvement since the policy was last changed.
- 2.2 It is recognised that a period of continuous transformation, coupled with external factors relating to societal trends (e.g. greater awareness of mental health issues), have impacted our employees. Long term absences related to stress related ill health now account for the greatest number of days lost, and overall sickness absence levels have gradually increased to 5.41%. (December 2017).
- 2.3 Additionally, and perhaps more importantly, we are driving a change to our culture. This includes a greater focus on proactively supporting the health and wellbeing of our employees. As your employer, it is our job to provide you with the right support so we can help you to be at your best and as an employee it is your role to make sure you are doing what you can to safeguard your own health and wellbeing.
- 2.4 Despite much discussion on this proposed policy with the Trade Unions, we have been unable to reach a local collective agreement. There are aspects that have been welcomed, as the new policy is recognised as being less punitive and more supportive. Equally the main points of feedback from Trade Unions is that they would like the link to pay removed entirely and for discretion to be retained.

3. Main report

- 3.1 The new sickness absence focuses on our collective responsibilities for maintaining good health and wellbeing.

- 3.2 The roll out of the policy will cover health promotion and support for mental health related illness and training and guidance for practical and consistent application of the policy.
- 3.3 We are making improvements to the return to work process, with all employees being encouraged to have conversations about their health and wellbeing, in general, regardless of absence.
- 3.4 A new process has been devised, incorporating questions for the employee to answer about their health and fitness to be at work, which should be discussed as part of that meeting. This will replace the current form and we will also no longer require a 'self-certificate form' to cover the first 7 days of absence.
- 3.5 We have also made changes to the sickness absence triggers. The current sickness absence triggers are:
- 3 instances of sickness absence in a 12-month rolling period; or
 - 8 days of absence in a 12-month rolling period
- 3.6 With the current link to Contribution Based Pay, some staff could lose a pay step for being off three half days in one year, if they have a formal staging meeting. The feedback from managers was that often they did not wish to take formal action as they did not think the trigger levels were fair. To address this, the absence trigger period for the number of instances would be shortened. Therefore, the new triggers are:
- 3 instances of sickness absence within a **6-month** rolling period; or
 - 8 days of absence in a 12-month rolling period
- 3.7 To encourage supportive conversations, the link to pay has been changed and is detailed later in this report.
- The current policy has allowed managers a certain amount of discretion around when to stop progressing cases through the formal sickness absence process. This has resulted in inconsistencies in the way sickness absence is managed across the Council with discretion being applied differently in similar cases. In the new policy, we have set out a defined list of exceptional circumstances, where the formal steps of the policy will not apply, to ensure fairness and consistency.
- 3.9 We have removed the need for setting improvement targets when employees reach triggers. Improvement targets being set are often found to be unrealistic and inconsistent. In the new policy, when an employee reaches trigger, and have a formal meeting, they will only progress to the next stage when they reach trigger again, in the period following on from the meeting. This is more transparent and applies to all employees, thus fairer in practice.
- 3.10 With the focus on employee wellbeing, there is a move away from the punitive language of the previous policy and issuing 'warnings'. While it is important that employees are aware that their absence levels may not be sustainable, our

experience is that warnings are not best practice in trying to reduce sickness absence. Employees feedback was that they felt they were being punished for having a genuine illness. The use of this in the past 5 years has not resulted in a reduction in sickness absence.

- 3.11 For managing long term absence there is a greater focus on support and prevention, particularly around stress related ill health. There is also a requirement for additional informal meetings in addition to the 3 formal meetings. This is to proactively provide employees greater levels of support.
- 3.12 Currently if an employee is part of the Council's contribution based pay scheme and has an absence stage meeting for short-term absence, and a formal warning is issued, then they will not get their annual pay step for that assessment year (January to December). If their absence is longer than 6 months, then they will not get an annual pay step for that assessment year, if they are in the contribution zone.
- 3.13 There are several issues with the way the current policy links to contribution based pay:
- As detailed in the above points, managers issue discretion in different ways, this is potentially unfair as it doesn't affect employees pay progression consistently.
 - The impact of stage warnings for short term absence is harsher than the impact for long term absence. For example, you could be off 8 days / 3 occasions and lose a pay step whereas a colleague could be off long term (up to a year) and not lose pay.
 - Once an employee loses a pay step, it may result in further absences, seen as a punishment with no deterrent for future absence that year.
- 3.14 The link in the new policy to Contribution Base Pay is as follows:
- Employees will not lose a pay step if they have had a Short-Term Absence Meeting 1. This will encourage managers to meet their employees when they return to work, with emphasis being on support rather than the concern over the impact on pay at their first meeting.
 - Staff who have a Short-Term Absence Meeting 2 or 3 will lose a pay step.
 - All employees regardless of grade or placement within that grade will not receive a pay step if during an assessment year if they have been absent for more than **6 months**
 - Making the impact on all employees the same is a fairer process and this also balances the impact on pay for short and long-term absences.

4. Measures of success

- 4.1 Following a period of embedding, a more consistent approach to supporting and managing sickness absence.
- 4.2 A reduction in the amount of manager's time spent completing paperwork and processes involved with managing sickness absence, thus more time to have conversations and provide support.
- 4.3 An increase uptake of the Employee Assistance Programme and an increased awareness of the support available for mental health related illnesses or musculoskeletal injuries.
- 4.4 Results from the Colleague Opinion Survey which include questions relating to line managers being more supportive.

5. Financial impact

- 5.1 There is no financial impact of this policy.

6. Risk, policy, compliance and governance impact

- 6.1 There will be the requirement for the manager's compliance with this policy to be monitored through the HR system.
- 6.2 There will also be the requirement for managers to support employees who are absence, including stress related ill health. This will be monitored through absence reporting.

7. Equalities impact

- 7.1 Reasonable adjustments will be considered for all employees and also agreed in accordance with the Equality Act 2010.
- 7.2 Medical redeployment will be sought in appropriate circumstances.

8. Sustainability impact

- 8.1 None.

9. Consultation and engagement

- 9.1 The new Sickness Absence Policy has been developed with feedback from Trade Unions, Line Managers, Employees, colleagues in HR with experience of working on this and through informal feedback through their aligned service areas. Additionally, the new policy has been circulated to See me and Carer positive to ensure we're in line with best practice.

- 9.2 Training on the new policy will be developed in keeping with our approach to performance management and rolled out across the organisation through to the end of the year. This will be done in conjunction with training by our new Occupational Health and Employee Assistance Programme provider.

10. Background reading/external references

None.

Stephen S. Moir

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11. Appendices

Appendix 1 – Sickness Absence Policy

Sickness Absence policy

The Council (we) recognise that some absence due to sickness is inevitable and we are committed to supporting our employees in a consistent, fair and sympathetic way. Our focus is on supporting you to remain healthy and encouraging all our employees to engage with initiatives and support that is available. Our aim is to reduce the adverse impact of sickness absence on employees and on service delivery.

Author

Employee Relations, Human Resources,
Resources Directorate

Scope

This policy applies to all Council employees.

Purpose

The purpose of this policy is to set out how we will manage sickness absence across the organisation, and ensure that you know what is expected of you and what measures can be put in place to support you when you are absent from work with an illness.

Review

The policy will be reviewed as and when a change to the existing policy deems this necessary, primarily as a result of: changes to legislation or statute; agreement of new national terms and conditions of service or Government Policy; organisational change; or resulting from changes agreed through Trade Union Consultation.

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1. Health and wellbeing

We want to encourage you to adopt and pursue healthy lifestyle options that can contribute to a positive work-life balance and support lower sickness absence levels. We aim to achieve this partly through the policies we have in place, but more importantly through active participation in health and wellbeing initiatives available to you.

There are times when we need extra support and our Employee Assistance Programme, which is a free and confidential service, is available to all colleagues. This offers a wide range of services, including but not limited to counselling, advice on personal issues, work-related issues, debt management and legal issues. They also provide specific advice for managers in supporting working relationships. If you notice you're not quite yourself, you don't have to wait until you're off, take early steps to seek help and support.

We also provide employee benefit choices which encourage a fit and active lifestyle, such as active travel, bike to work schemes and gym membership discounts. It's important that you play a key role in your wellbeing and we encourage you to take full advantage of what's on offer within and out with the council.

Medical appointments

If you need to attend hospital, doctor, and/or dental appointments, as well as for emergency medical and dental treatment, we provide reasonable time off for this. We also accept that some appointment times might be out with your control, however, where possible should try to make such appointments either before you start or after you finish work. If you can't do that, then you should try to arrange your appointment so that you cause as little disruption to your work and colleagues as possible. You need to notify your manager and let them know the nature of your appointment as soon as possible so they can make any necessary arrangement to cover your work.

Early Intervention Model

If you are absent with, or diagnosed with, Stress or a Musculoskeletal disorder (MSD) your manager will refer you to occupational health at the earliest opportunity. This is so that we can get early advice and try to support you in the workplace or when you return to work, make any reasonable adjustments, or to access counselling or physiotherapy if required. Again, you don't need to wait until you are off. If you notice that you are in pain or not feeling yourself, speak with your manager about the services available and an early referral can be made.

Disabilities

We are an equal opportunities employer and commit to supporting employees with disabilities. This may involve making reasonable adjustments to the role that is being undertaken. We recognise that a disability is not necessarily a physical limitation that can be addressed with additional equipment. It can also be a relapsing-remitting condition such as Multiple Sclerosis, or a mental health condition, and we are committed to fully exploring all options available to ensure that employees feel supported in relation to how their attendance is being managed.

2. Start of sickness absence

If you cannot come to work because you're sick, you need to phone your manager to let them know as soon as you can but certainly no later than when you were due to start work. In exceptional circumstances where it is not possible to contact your manager directly, you need to agree how this will be done in the event you are off.

3.1 What you need to do when you're absent from work

Employee	
Task	Action
You need to tell your manager	<ul style="list-style-type: none">✓ Why you are off,✓ when you think you will be back at work and✓ if you have any work that needs to be done while you are off.
In exceptional circumstances when you cannot call your manager yourself	<ul style="list-style-type: none">✓ Agree with your line manager how and when contact will be made and if necessary arrange for someone to make contact on your behalf.
If your manager has not heard from you by the time you were due to start work on your first day of absence	<ul style="list-style-type: none">✓ They will try to contact you and✓ If they cannot reach you, they will then review other means of contact. We have a duty of care towards you and are clear that this is a reasonable means of finding out why you are not at work and making sure that you are safe.
If you do not contact your manager at all and despite many attempts they cannot reach you	<ul style="list-style-type: none">✓ Your absence will be treated as unauthorised. This means that you will not get paid while you are off and this may lead to disciplinary action being taken unless a reasonable explanation is provided.
If your absence continues	<ul style="list-style-type: none">✓ You need to contact your manager on each day of your absence for the first seven working days, to give them an update on when you might be able to return to work, unless you have been signed off or incapacitated, e.g. in hospital and✓ If your absence is going to continue beyond 7 days, then you need to get a fit note from your doctor and contact your manager weekly to discuss your progress – they will talk this through with you and agree times that work for you and them, normally weekly or more frequently if appropriate.

3.2 What you need to give us when you're absent

Employee	
Task	Action
Off sick for seven calendar days or less	<ul style="list-style-type: none">✓ You don't need to give your manager a fit note if you are off for 7 days or less. You will meet with your manager on your return to work to discuss your absence and if there are any measures that can be put in place to support you at work.
Off sick for more than seven calendar days	<ul style="list-style-type: none">✓ If your absence continues beyond 7 days, you will need to get a fit note from your general practitioner (G.P.) to cover your absence✓ You need to submit fit notes to your manager as you get them, to make sure there are no gaps in your absence.✓ If you don't, this could result in your absence being recorded as unauthorised.

3. Managing sickness absence

Talking and listening

We manage sickness absence through a series of conversations between you and your manager. This is so we can understand the nature of your absence and what we can do to support you back to work, equally how you can engage with support that is available for you.

Recording sickness absence

All sickness absence-related information will be recorded electronically on the HR system by your manager.

Working in partnership with Occupational Health

If it is appropriate, following a discussion with you, we may refer you to our occupational health provider, who is best placed to provide us with specialist advice on how to support you back to work.

If you are asked to attend occupational health, your manager will meet with you, in advance, to explain why we need to seek additional medical advice to assist us in supporting you before you become absent or during your absence. Your manager will also give you a copy of the referral form before you go, even if you are off at the time. When the manager receives a copy of the report they will send this to you in advance of meeting to discuss what any support needed and next steps.

If you refuse occupational health support or fail to attend an occupational health referral meeting, then your absence will continue to be managed but any decisions on how to support you going forward may be made without the benefit of specialist medical advice.

4. Stress related absences

If you are absent with, or diagnosed with stress related ill health your manager may refer you to occupational health. You can also access free and confidential support from our Employee Assistance Programme.

If you are experiencing work related stress, talk to your manager about this and together, complete a Stress Risk Assessment and Action plan. It is important to identify the underlying cause and to try to put together steps to resolve this as quickly as possible. Further information if available in the Stress Management Policy.

Employees returning to work after a stress related absence may require assistance to re-adjust to work routines. Managers should take a lead role in this by:

- Using the stress action plan;
- Reorganising workload, if appropriate;
- Placing temporary restrictions on any duties that may have previously caused difficulties
- Arranging a phased return to work, if required,
- Making sure the pressure or demands previously identified have been properly controlled, reduced or eliminated

- Providing training to help them cope better with the pressure or demands
- Monitoring the pressure or demands identified
- Schedule regular meeting to discuss progress

5. Sickness absence triggers

Whilst we are committed to providing appropriate support to all employees, we have a process for managing your absence when you reach certain triggers.

Our sickness absence triggers

Short-term triggers	Employee must not reach triggers again within
Three instances of sickness absence in a six-month period	Six months
or	
Eight days of sickness absence in a 12-month period	12 months

Long-term trigger	Employee must not reach trigger again within
Four weeks of continuous sickness absence in a 12-month period	12 months

What happens when you reach a trigger point

Each time you are absent from work due to sickness, your line manager will review your sickness absence history. They will look at the number of instances you have been off sick and the number of days you have been off sick to check whether your sickness absence has exceeded any of the sickness absence triggers.

Patterns

If there is a pattern to your absence, for example you are always off after annual leave or after certain events or on particular days (Friday or Monday), even if the above triggers have not been reached, then your Manager will arrange a sickness absence meeting with you.

Disability and triggers

If you have a disability and this is affecting your attendance at work, serious consideration will be given to increasing the trigger levels as a reasonable adjustment, where the absences relate to the disability. There is more information about reasonable adjustments and the Equality Act 2010 in the sickness absence user guide.

Exceptional circumstances

We consider the list below to be exceptional circumstances, where the formal steps of this policy will not apply and any medical referral will be to assist with your wellbeing. It is also expected that you will engage with appropriate and or recommended support:

- where the absence relates to a 'one off' situation e.g. a surgical intervention
- where there is a known remitting and recurring medical condition
- absences related to a previously unknown pregnancy
- where the absence is related to a critical illness, e.g. Heart attack, cancer, stroke, coronary artery by-pass surgery.
- management forced absence due to a contagious infection
- if we find out that your absence relates to domestic abuse issue
- in some cases, industrial injuries may be exempt.

Further absences following an absence meeting

Once you have had a sickness absence meeting with your manager, you will only go to the next stage in the process if you exceed any of our triggers again. If you have returned from an absence and subsequently become absent again before your meeting, then this will be re-scheduled and the total instances or days will be taken into account.

6. Short-term sickness absence

Instances and Days

When you have exceeded the triggers, your manager will arrange a meeting to discuss your absence.

They will look back six months from your current absence to see how many times you have been off sick. If this is three instances, but maybe less than eight days, then your manager will arrange a sickness absence meeting with you. Equally if you have had 8 days or more in 12 months, then your manager will arrange a sickness absence meeting with you.

Regular conversations

Our approach to managing short-term sickness absence is to have regular conversations with you about your health. If you are absent from work, your manager will have an informal meeting with you to discuss the reasons behind your absences when you return. The aim of the meeting is to support your welfare and discuss any barriers to you being able to achieve sustainable attendance.

Formal meetings

If your absence levels exceed one of the short-term triggers, your manager will have a formal meeting with you to discuss the reasons behind your absences. There are three formal meetings in the short-term absence process, detailed in the user guide and the timeline for managing short term absence. At each meeting, you and your manager will discuss your absence, covering anything that might have affected your attendance levels, including looking at your absence history and whether you have broken trigger levels before. You have the right to be accompanied by a trade union representative or a workplace colleague at any of these meetings.

Discussing potential redeployment or ill health retirement

If appropriate, and if advised by Occupational Health, short-term absence meetings may also include discussions around potential redeployment or ill-health retirement (if you are a member of the pension

scheme). While our aim is to facilitate a sustained return to work, you will be reminded that if your absence levels are unsustainable, dismissal may be a possible outcome of the short-term absence process.

Final meeting

If there is no improvement in your attendance after short-term meeting 2 and/or the levels of absence continue to be unsustainable, then your manager will arrange for you to attend an appointment with the Occupational Health Provider if appropriate, to obtain an up to date medical report, which they will share with you in advance of the meeting. Your manager will invite you to a final meeting, (short-term meeting 3), at which you have the right to be accompanied by a Trade Union Representative or work colleague. At this meeting, it is likely that you will be dismissed on the grounds of capability due to ill-health or for some other substantive reason. This letter will indicate that there is a right of appeal against any decision.

Teachers

Teacher's absence will continue to be managed until their entitlement to sick pay has run out. Managers will not be able to have the final absence meeting until the teacher is no longer receiving sick pay.

7. Long-term sickness absence (four weeks or more)

If you are off sick continuously for four weeks or more, then we consider this to be long-term sickness absence.

Regular Conversations

Our approach to long-term sickness absence is to put in place a series of face-to-face meetings supported by agreed levels of phone or face to face contact. This is to allow you and your manager to keep each other informed about your state of health, your progress towards recovery and a return to work. Your long-term absence should be reviewed and discussed with you initially within the first four weeks then at regular intervals.

Sending in your fit notes

During long-term absence, you will need to make sure that your fit notes cover all absence dates by sending them to your manager as you get them. If you do not, we will not be able to pay you for any time that is not covered by a fit note. Your manager will end your sickness absence on the HR system and record your absence as unpaid unauthorised leave.

Managing your long-term sickness absence

There are three formal meetings in the long-term absence process. At each meeting, you and your manager will meet to discuss how you are feeling and when you might be able to return to work.

The face-to-face meetings can take place in the office, at any other convenient site or in your own home as agreed with you.

Being accompanied

You have the right to be accompanied by a trade union representative or a workplace colleague at any of these meetings.

Occupational health referral

Depending on the reason for your absence, your manager may make a referral to occupational health during your absence to get medical advice in relation to your fitness to return to work and whether we'll

need to consider making any changes (reasonable adjustments) to support your return. Your manager will always discuss the referral with you, and provide you with a copy before you attend. There is more information about reasonable adjustments in the user guide.

Discussing options

If it is not clear when you might be able to return to work, your manager will consider if they can continue to support your absence. This means that your manager is likely to talk about redeployment, ill-health retirement or potential dismissal, if you are not able to return to work in the foreseeable future.

Dismissal on the grounds of capability due to ill-health

Ultimately, if there is no indication that you are going to be able to return to work and redeployment has been unsuccessful (or it has not been appropriate to consider redeployment) and you do not meet the criteria for ill-health retirement, it is likely that this may result in your dismissal on the grounds of capability due to ill-health.

While we would not normally expect any absence to continue beyond 52 weeks, we will look at each absence on its own merit.

Reaching triggers with a mixture of short-term and long-term absence

Sometimes you reach triggers with a mixture of long and short-term absence. When this happens, your manager will continue to manage your sickness absence and you will still progress through the sickness absence process.

If your absence is being managed through the short-term process and then you are off long term and subsequently reach the trigger for long-term absence, then you will move to the next stage in the long-term process, e.g. if you have had short-term absence meeting 1, you will move to long-term absence meeting 2.

If your absence is being managed through the long-term process, and you return to work and then subsequently reach the trigger for short-term absence, you will move to the next stage in the short-term process, e.g. if you have had long-term absence meeting 1, you will move to short-term absence meeting 2.

It is important to note that absence meeting 3 is the final meeting for both short and long-term absences.

8. Returning from sickness absence

Getting you back to work

You are expected to return to work when your last fit note expires. In some circumstances, you can return to work before your fit note expires. There is more information about this and fit notes generally in the sickness absence user guide.

Reasonable adjustments

If your fit note or occupational health report mentions any reasonable adjustments that need to be made, we will consider that advice, and whether the adjustments are needed in the short-term or in the longer-term to support a disability.

On the day that you return from work

Your manager will meet you in private to talk about your absence, find out how you are and talk about your work and any support that you may require. This meeting should take place on your first day back, if this is not possible, your manager must ensure that a supportive meeting takes place as soon as is reasonably

possible. It is important for you to be honest with them about how you are feeling and to explore any support that we can provide. Ideally, this meeting will be face-to-face. We know that this is not always possible but we cannot stress strongly enough how important it is to try and meet this way. You may be accompanied by a Trade Union Representative or work colleague as a support measure.

Phased returns after long-term sickness absence

Your G.P. or Occupational Health advice may suggest a phased return to work. If this is agreed, then this will normally take place over a maximum of a four-week period. During the four weeks, you must build up the time you are at work in each week. A longer phased return would be considered if medical advice strongly recommended this and if it would facilitate an earlier return to work.

During a phased return, the time you are not at work is paid at full pay and is not taken off your annual leave. However, if a phased return extends beyond 4 weeks, you will only be paid for the hours worked, unless you decide to use your annual leave to cover the hours not worked.

Redeployment

If we cannot make any reasonable adjustments to allow you to return to your old job, we will consider redeployment. We will get advice from our occupational health provider to find out what suitable alternative work you can undertake, and then work with you for a period of 3 months to see if any of our vacancies might be suitable. Your role will be key in this, and your manager will help you with this, along with Human Resources. The redeployment procedure provides guidance on this.

9. Not returning from long-term sickness absence

Dismissal on the grounds of capability due to ill-health

If it is agreed during the long-term sickness absence process that there is nothing further that we can do to help you return to work, then your manager will arrange a final meeting where you will be formally dismissed on the grounds of capability due to ill-health.

You will get a letter confirming this within seven calendar days of the meeting. The letter will indicate that there is a right of appeal against the decision. If you are dismissed on the grounds of capability, you will receive payment for any outstanding annual leave you have, as well as payment in lieu of notice.

Teachers cannot be dismissed until their entitlement to sick pay has run out. Managers need to check that teachers are out of pay before they proceed to dismissal for unacceptable levels of sickness absence.

Dismissal on the grounds of capability due to ill-health with access to pension benefits (Ill Health Retiral) (For pension scheme members)

If the advice we get from our occupational health provider says that you are permanently unfit to carry out the duties of your post before normal retirement age, a certificate of Ill Health Retirement is issued and if there are no other suitable alternative jobs that you are able to do, then your manager will arrange a meeting to tell you that you'll be dismissed on the grounds of capability due to permanent ill-health.

If you have evidence from your G.P. or a specialist, disagreeing with occupational health's advice, your manager will review your case with help from Human Resources. We may get another independent medical opinion to help us reach our decision.

Pension schemes

Local Government Pension Scheme (LGPS)	Scottish Teachers' Superannuation Scheme (STSS)
If you are a member of the LGPS, you will get access to your pension with either Tier 1 or Tier 2 benefits.	If you are a member, the rules of that scheme will apply with PIB (Partial Incapacity Benefit) or TIB (Total Incapacity Benefit) benefits applying as appropriate.
Tier 1 – You will be awarded Tier 1 if the medical advice we get says that it is unlikely that you will be able to work again. The Pension Fund will calculate your pension entitlement as if you had stayed in the Scheme until your Normal Pension Age and you will be able to access that.	Total Incapacity Benefit – if the advice we get is that you are permanently incapable of teaching and permanently incapable of doing any other work, you will get a pension based on your accrued service to date with no reduction plus an enhancement of half of what your service would have been between the day after the date of your ill-health retirement and day before your normal pension age.
Tier 2 – You will be awarded Tier 2 if the medical advice we get says that it is likely that you will find some work before you reach your normal retirement age. The pension fund will calculate your pension entitlement as if you had stayed in the Scheme until normal retirement age. However, because it is likely that you will be able to work again before normal retirement age, you will only get 25% of that amount.	Partial Incapacity Benefit: if the advice we get is that you are permanently incapable of teaching but capable of other employment, you will get a pension based on your accrued service to date with no reduction.

If you are not a member of a pension scheme, then you will be dismissed on the grounds of capability due to ill-health.

Reinstatement or re-engagement following dismissal

If you are reinstated or re-engaged by the Personnel Appeals Committee, you may return to the meeting step you were at, in the sickness absence process, prior to your dismissal.

Confirmed terminal illness prognosis

If it has been confirmed that you are terminally ill, then the formal steps of this policy will not apply. The process outlined throughout the policy should still be followed in that regular meetings/discussions should take place and referrals to Occupational Health should still be undertaken, in order that any supportive measures may be identified. The normal sick pay entitlements will apply.

10. Annual leave and sickness

Accruing annual leave

When you are off sick, you continue to accrue annual leave. This means that your annual leave builds up while you are off sick.

Abating annual leave

If you are off for longer than three months, in a rolling twelve-month period, your annual leave will be recalculated to take account of the time you were not at work, regardless of whether you work full time, part time or compressed hours. We call this abating leave. We will never abate your leave below 28 days (pro rata) which includes public holidays, which is the statutory minimum.

Agreeing when to take time off

When you come back to work, you can agree with your manager when you can take your annual leave. You should then make an annual leave request in the normal way. You might want to take some of your leave before you return to work. If that is the case, you should discuss that with your manager, too, and then make an annual leave request.

If you return to work in the last quarter of the holiday year and you are unable to take the remainder of your holiday entitlement for that year due to service requirements, you will be able to carry over up to 20 days of your outstanding entitlement. You will need to take this within 18 months.

Long-term sickness beyond end of leave year

If you are off long-term and your sickness absence continues beyond the end of the annual leave year, you may not have been able to take your statutory annual leave (28 days (pro rata) including public holidays) during that annual leave year. If this happens, you can carry forward up to 20 days to the next annual leave year.

If you had managed to take some of your leave for that year, you will only be able to carry forward the difference between what you had taken and 20 days.

For example:

If you had taken seven days' leave, you will be able to carry forward 13 days out of the 20 you could carry to the next year.

You must take the leave you have carried forward within 18 months of the end of the leave year that the days were carried forward from. If you do not, these days will be lost.

Annual leave and pay in lieu

We think that it is important that you take your annual leave and have the rest that you are entitled to. To support this, we will not pay you in lieu for any annual leave that you have not been able to take unless you are leaving the Council and unable to take this prior to leaving.

Annual leave and sick pay

If you take annual leave when you are off sick, this will not affect your sick pay. However, you will still have to provide fit notes to cover your absence if it is for more than 7 days. Any annual leave that you do take will be paid at your normal rate of pay.

On annual leave and become sick

If you are on annual leave and become sick and want to reclaim the annual leave that you have not been able to take, you must follow the normal sickness absence notification process and produce a fit note covering your period of absence.

11. Sick pay rules

If you do not have the minimum length of service required when you go off sick, then you will not get any occupational sick pay for that absence. You may get statutory sick pay.

Craft employees get sick pay from the date they start work with us.

Absence starts before you have reached the minimum period of service

If your absence starts before you have reached the minimum period of service and it continues beyond the minimum period of service, then you still won't get sick pay. This is because you did not meet the minimum period of continuous service required when the absence started.

If you qualify for sick pay

Your entitlement will be worked out by taking away any periods of sickness absence which occurred in the 12 months before the first day of your current absence. Deductions will be made from your full pay entitlement first and then your half-pay entitlement.

Sick pay includes any contractual working time payments and any contractual overtime that you get. It does not include casual overtime and stand-by duty.

Statutory sick pay

The Council pays more sick pay than the statutory minimum, so your sick pay includes any Statutory Sick Pay (SSP) that you might be entitled to.

If your earnings were not high enough to qualify for SSP during the 12-month period before your current absence, you may qualify for a benefits payment from the Department of Work and Pensions (DWP). Because of this, we will make a deduction from your Occupational Sick Pay. However, if you confirm that you did not receive any benefits, we will refund any deductions made.

Unauthorised absence

If your absence is not supported by a fit note or if you have not followed the notification procedure, this will be regarded as unauthorised absence. This means that you will not get paid while you are off and it is likely that this will lead to disciplinary action being taken unless there is a reasonable explanation.

Suspending sick pay

We may suspend your sick pay if it is evidenced that you have abused the terms of this policy. Some situations where we may do this are:

- if you are off sick because you have refused treatment or deliberately done something that sets your recovery back;
- if your sickness absence is down to your own misconduct;

- you are an active participant in professional sport i.e. under a contract;
- you were injured in your own time when doing something for private gain or for another employer;
- your claim for sick pay is fraudulent – this is likely to constitute gross misconduct and could lead to dismissal.
- Unauthorised absence

Industrial accident or disease

If you are absent because of an incident that happened at work or due to an industrial disease, you will get a separate allowance calculated on the same basis as sick pay. This will be paid where cases that have been investigated have been classified as an industrial accident.

Impact on pay

If you are in a post which is part of the Council's contribution based pay scheme and you have had a **formal absence meeting 2**, for short-term absence, then you will not get your annual pay step for that assessment year. If your absence is longer than six months, then you will not get your annual pay step for that assessment year, regardless of your pay grade.

Appendix 1 - Sick pay information

The **length of time** you will receive sick pay for, and the **amount** of sick pay you will get, depends on the:

- length of time you have worked for us; and
- number of absences you have had in the 12-month period before your current absence.

Craft employees

Length of service when sickness absence starts	You will get full pay for	You will get half pay for
Less than 1 year	5 weeks	5 weeks
More than 1 year, but less than 2 years	9 weeks	9 weeks
2 years but less than 3 years	18 weeks	18 weeks
3 years but less than 5 years	22 weeks	22 weeks
5 years or more	26 weeks	26 weeks

Teachers

Length of service when sickness absence starts	You will get full pay for	You will get half pay for
Less than 18 weeks	N/A	N/A
18 weeks or more but less than 1 year	1 month	1 month
1 year but less than 2 years	2 months	2 months
2 years but less than 3 years	4 months	4 months
3 years but less than 5 years	5 months	5 months
5 years or more	6 months	6 months

All other employees

Length of service when sickness absence starts	You will get full pay for	You will get half pay for
Less than 26 weeks	N/A	N/A
26 weeks or more but less than 1 year	5 weeks	5 weeks
1 year but less than 2 years	9 weeks	9 weeks
2 years but less than 3 years	18 weeks	18 weeks
3 years but less than 5 years	22 weeks	22 weeks
5 years or more	26 weeks	26 weeks

Finance and Resources Committee

10.00am, Tuesday 27 March 2018

Workforce Dashboard

Item number	7.3
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

The workforce dashboard covers the period January 2018. The general trend since the previous report shows that whilst there is an overall increase in our FTE, the workforce composition has changed, showing a reduction in permanent FTE and an increase in Fixed Term and acting-up/secondments.

Analysis at Directorate level reveals that Communities and Families have introduced an additional 62 FTE on a fixed term basis to meet pupil needs. All other Directorates show a stable or reducing FTE with the greatest decrease, 50 FTE, coming from the Resources Directorate. The Teaching pay bill shows an increase in the period whilst the local government employee (LGE) pay bill remains stable. There is a slight downward trend in agency cost over the past 6 months.

Workforce Dashboard

1. Recommendations

- 1.1 To review and note the workforce information contained in the dashboard.

2. Background

- 2.1 The dashboard reporting period is January 2018.

3. Main report

- 3.1 The attached dashboard (Appendix 1) provides workforce information on:
- the number of Full Time Equivalent (FTE) staff employed by the Council, the type of contract they are employed through and the turnover of new starts and leavers;
 - trends on absence rates, including the top five reasons for short and long-term absence;
 - the cost of the pay bill, including the cost associated with new starters and leavers;
 - insight relating to our performance framework (launched April 2017) including the percentage of annual conversations carried out, the number of Conversation Spotlight workshops carried out and feedback received from our employees who have attended the course;
 - the number of VERA/VR leavers and associated cumulative budget savings; and
 - the number of redeployees and associated costs.
- 3.2 Whilst our FTE has increased by 62 (as a result of fixed term contractors being recruited by Communities and Families), the overall position for the organisation (balancing leavers and joiners) is a net increase 38 FTE. Of the 62 FTE increase, 16 FTE in the Local Government Employee group, from 10,902 to 10,918 and an increase of 22 FTE in the Teaching Employee group from 3,619 to 3,597.
- 3.3 The new start vs leaver turnover FTE was almost neutral for FTE (131 new starts vs 127 leavers), but the cost of new starts was £0.3M less than the cost of leavers, yielding a cost saving in this area.

- 3.4 However, overall the (projected annual) pay bill increased by £1.0M in the period; this relates to basic pay bill and does not include any additional costs. The savings yielded from leavers and reduction in LGE FTE/pay bill (£0.3M) was off-set by the increase to FTC arrangements in Communities and Families. The projected annual cost of FTCs increased by £1.2M.

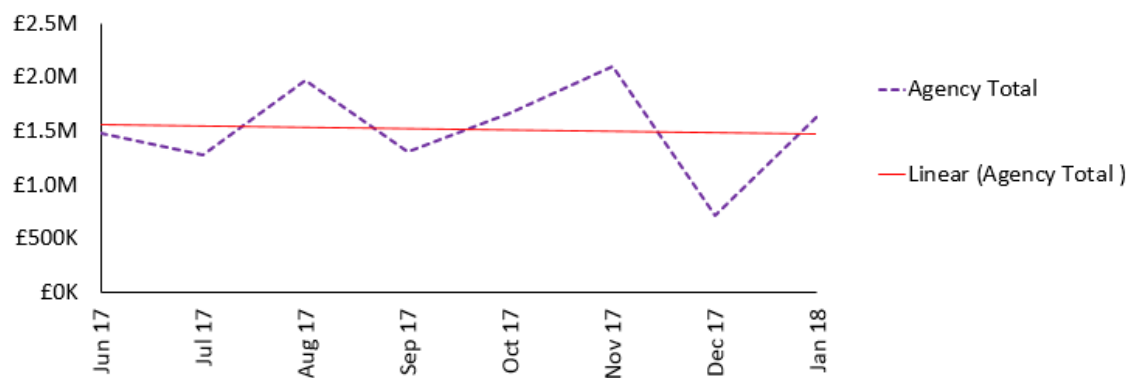
The overall teaching pay bill increased from £133M to £134M in the period compared to the LGE pay bill which remained stable at £260M.

- 3.5 The table below outlines the total FTE change by Directorate:-

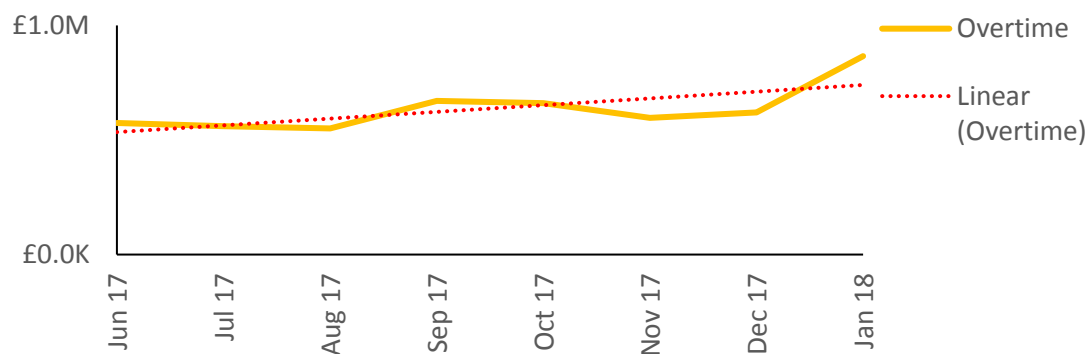
Directorate	Nov-17	Dec-17	Jan-18	<u>All Employees</u> FTE Change Dec to Jan
Communities & Families	6906	6909	7001	92
Communications	23	23	23	0
Edinburgh Health & Social Care Partnership	2370	2324	2323	-1
Place	2331	2332	2333	1
Resources	2348	2330	2280	-50
Safer & Stronger Communities	514	506	507	1
Strategy	137	135	135	0
Redeployment employees	54	54	50	-4
	14683	14614	14652	38

A TUPE transfer of 41 FTE to Lothian Pension Fund accounts for the majority of the decrease in FTE within Resources for this period.

- 3.6 Agency cost data is drawn from invoices paid. The period shows a steep increase in January, £1.6M versus £0.7M in December. The monthly fluctuations are due in part to differences in weeks billed each month. Overall, there is a slight downward trend in agency cost over the past 6 months:-

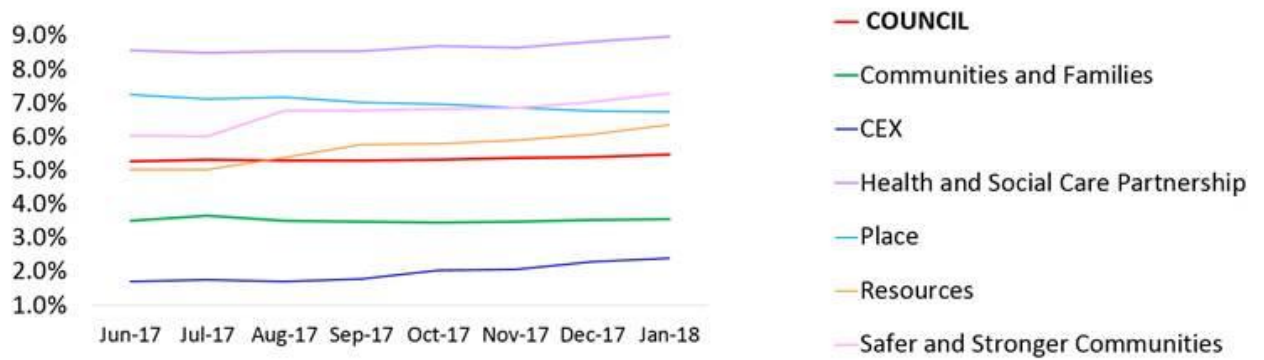


- 3.7 The cost of Supply/Casual workers has reduced by £179K. The main cause is a reduced requirement over the festive period including school holidays (absence cover, night-classes and similar) as payment for December hours is paid in January.
- 3.8 January costs for Working Time Payments have a slight reduction of £9K.
- 3.9 Overtime costs have increased during the period by £246K. Overtime paid in January relates to hours worked in December 2017. Whilst seasonal variation is expected, the overall trend for overtime costs since June 17 is increasing.



- 3.10 The 12-month rolling absence rate continues on an upward trend, up by 0.07% from 5.41% to 5.48%. Since February 2017 this rate has increased from 5.18% to 5.48%. Stress, depression, mental health, and fatigue syndromes continue to be the main reasons for long term absences.

The graph below shows the overall absence levels and trend by Directorate since June 17:

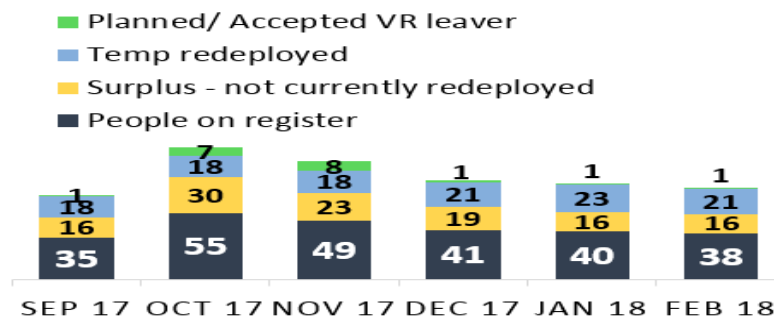


Communities and Families report a stable level of absence while Place has experienced steady reduction over the previous 6 months. All other Directorates show an upward trend.

Total days lost to absence in the 12-month period was 176,000 out of an estimated 3.2M working days available. Absence cost is estimated at approximately £23.4M, based on an average cost of £30,000 and a total of 225 working days per employee per year.

- 3.11 The total employees on the redeployment register has reduced by 2 since December, with an associated cost reduction of £5.3K. The table below provides a summary of the total number of employees since September 2017.

Redeployment at 25/02/18



The table below shows the length of time individuals have been surplus.

Corporately funded employees by time on the register:

Total – 27.17 FTE



Corporately funded employees by current status:

Total – 27.17 FTE



- 3.12 43.6% of employees (who are due to have them) have engaged in Looking Ahead Conversations. This figure is slightly down on the previous month due to additional groups becoming due i.e. Cultural Venues, Waste and Cleansing, Parks, Greenspace, and Cemeteries.

4. Measures of success

- 4.1 That, where possible, the Council achieves the necessary employee reductions by voluntary means.
- 4.2 The costs of unfunded individuals are managed as best as possible (within the no compulsory redundancy commitment).
- 4.3 That the monitoring of appropriate workforce data will evidence that the Council is on track to achieve targeted budget savings.
- 4.4 Absence rates are within our target of 4.0%.
- 4.5 All employees have a 'looking forward' conversation to set their performance objectives and development priorities for this performance year.

5. Financial impact

- 5.1 A programme of workforce reduction resulting in recurring savings of £36.9M.
- 5.2 Salary costs for employees on redeployment (particularly those not redeployed).

6. Risk, policy, compliance, and governance impact

- 6.1 The voluntary severance releases are essential to ensure that the Council can manage and plan the people impact of achieving the planned business change and associated savings.

7. Equalities impact

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

8. Sustainability impact

- 8.1 There is no sustainability impact of this report.

9. Consultation and engagement

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

10. Background reading/external references

- 10.1 [Managing Workforce Change – Workforce Dashboard Report to Finance and Resources Committee on 7 November 2017](#)

Stephen S. Moir

Executive Director of Resources

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11. Appendices

Appendix 1 – Finance and Resources Committee Workforce Dashboard

Appendix 2 – Finance and resource Committee Workforce Dashboard Glossary

Workforce Dashboard: Finance & Resources Committee

Period: Jan 2018

Issued: 1 Mar 2018

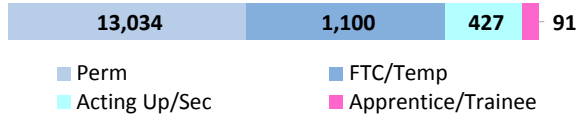
Workforce FTE

FTE Actual: 14,652
Headcount Actual: 18,706

Turnover FTE (Period)



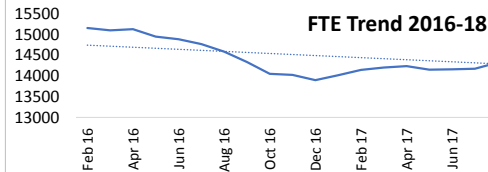
FTE (Period)



Agency and Supply/Casual & OT (Period) Equivalent FTE



Total Additional FTE: 1,041



Pay Bill

Actual (Period): £33.5M
Annual (Projected): £402.5M

Pay Bill Turnover (Period)



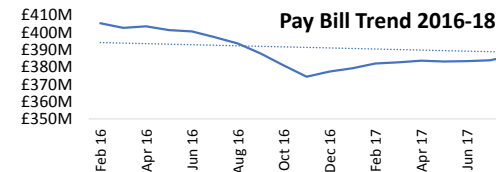
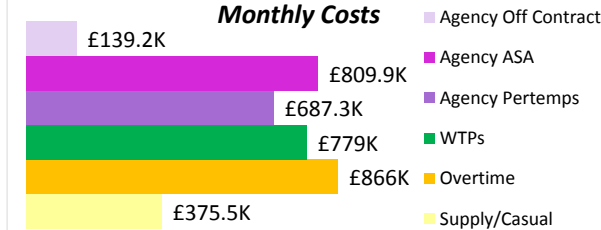
Pay Bill (Period)



Pay Bill (Annual Projected)

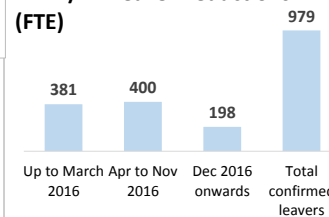


Monthly Costs



Transformation

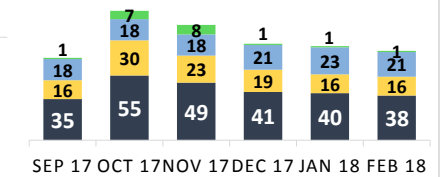
VERA/VR Leaver Reductions (FTE)



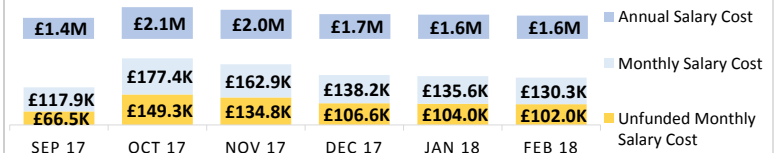
The confirmed 979 FTE reductions from VERA and VR will achieve recurring savings of £36.9M.

Redeployment at 25/02/2018

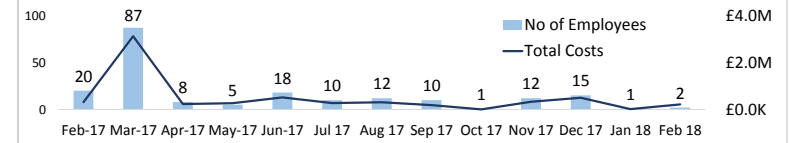
Planned/ Accepted VR leaver
Temp redeployed
Surplus - not currently redeployed
People on register



Redeployment - Cost



VR Leavers and Monthly Budget Savings Feb 17 - Feb 18



Absence

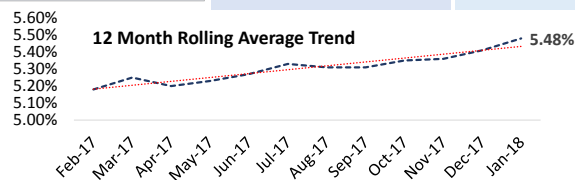
12 Month Rolling Average

	12 Month Rolling %	Target
Total Absence	5.48%	4%
Short Term	1.78%	
Long Term	3.70%	

Absence Reasons

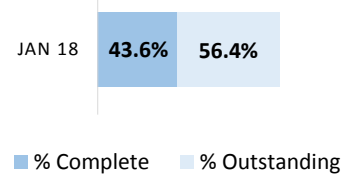
Short Term Reasons	% Days Lost	Long Term Reasons	% Days Lost
Infections	27.82%	Stress, depression, mental health & Fatigue syndromes	33.11%
Stomach, liver, kidney & Digestion	15.78%	Other musculo-skeletal	14.47%
Stress, depression, mental health & Fatigue syndromes	9.09%	Hospitalisation/Surgery/Convalescence	12.97%
Other musculo-skeletal	8.57%	Back & neck problems	8.37%
Eye, ear, nose & mouth /	6.64%	Cancer and associated	4.64%

12 Month Rolling Average Trend



Performance

Looking Ahead Conversations



% of **scheduled** conversations completed GR1-GR12

Conversation Spotlight

Sessions Held	124
WLT	96%
Senior Managers Tier 4	85%

Participant feedback



Participants shared one word that summed up what they enjoyed most about the two days together

Workforce FTE

FTE Actual: Sum of FTE for all staff on CEC
Count of total contracts/positions is not reported here

Headcount Actual: Total number of individual employees on CEC payroll

FTE (Period)

Breakdown of FTE by contract type for all staff on CEC payroll. A snapshot taken on 25th of each month (post 2nd payroll calc to capture all contractual changes, leavers etc). New starts after 1st of month are removed and included in the next month's FTE analysis. This methodology enables better syncing of workforce FTE data and new start/leaver data.

Additional FTE* (Period)

Breakdown of additional working hours utilisation for overtime represented as equivalent FTE. Agency cost and supply/casual cost converted to notional FTE value using average annual salary cost of £35/£25K per FTE.

Overtime - actual units of time claimed/paid for additional hours (excludes call-out OT hours) at last transaction date. Data extracted at week 1 to capture late payments.

Agency - cost of weekly invoicing from Pertemps, ASA and off-contract agencies for the last month. Data extracted after last weekly payroll in preceding month.

Casual/supply - cost of hours claimed at last transaction date. Data extracted at week 1 to capture late payments.

FTE calculated on the basis that a full-time Local Government Employee works 36 hours per week over 52.18 weeks (1878 hours). This calculation will be developed to take into account a 35 hour working week for Teacher contracts and any other conditions identified at consultation.

FTE Trend

Archive data from previous S&I dashboard process.

Internal FTE Changes

Organisation new starts and leavers in the month. Does not report on internal new appointments (e.g. additional contracts, promotion) or ended contracts for multi-position holders (where other positions are still live).

Pay Bill

Actual (Period): Sum of pro-rated basic salary for all staff on CEC payroll

Annual (Projected): Sum of pro-rated basic salary for all staff on CEC payroll*12

Pay Bill (Period)

Breakdown of basic pay by contract type for all staff on CEC payroll. Same reporting conditions as for FTE.

Pay Bill (Annual Projected)

Breakdown of basic pay by contract type for all staff on CEC payroll*12. Same reporting conditions as for FTE.

For trends analysis it should be noted that workforce FTE/cost vs new start/leaver FTE/cost will never match exactly due to the "internal churn" of the existing staff population, e.g. changes to working hours, additional contracts.

Monthly Costs

Actual cost of hours claimed for overtime, agency and casual/supply and payments made in period. Actual cost of transactions for all working time payments (variable, shifts, weekend, nights, disruption) at the last transaction date.

Pay Bill Turnover (Period)

As FTE. Costings report on the annual basic salaries (pro-rated) for new start and leaver populations.

Pay Bill Trend

Archive data from previous S&I dashboard process.

Transformation**VERA/VR Leaver Reductions (FTE)**

Data from Finance

Redeployment - People

Headcount of staff on redeployment register with status surplus, temp redeployed, future dated VERA/VR leaver. Data extracted at 27th of month. We plan to update the reporting to include detailed split on future dated leavers (for signed-off and awaiting sign-off) for more clarity.

Redeployment - Cost

Pro-rated basic salary data for staff on redeployment register.

VR Leavers and Cumulative Budget Savings

Data from Finance

Absence

All tables and graphs based on preceding 12 months absence data for all staff on CEC payroll.

Data extracted at week 1 to capture late data input.

Trend data - archive data from previous S&I dashboard process.

Performance**Conversation Spotlight**

Data from L&D.

Looking Ahead Conversations

Total number of conversations where target date for completion has been reached (last day of preceding month). Data extracted at week 1 to capture late input. For GR5-12 all looking ahead meetings should have taken place by May 17. Different service areas have varying rolling dates for completion of GR1-4. Staff do not fall into scope for completion analysis until the last day of their target month for completion has passed.

Finance and Resources Committee

10am, Tuesday 27 March 2018

Whistleblowing Policy

Item number	7.4
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

The Finance and Resources Committee approved the Council's current Whistleblowing Policy on 23 March 2017.

This report recommends approval of a revised Whistleblowing Policy to meet the annual review requirement of the Council's policy framework.

Whistleblowing Policy

1. Recommendations

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

2. Background

- 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 most recent revisions to the Whistleblowing Policy were approved by Committee on 23 March 2017, to include recommendations from the independent review of whistleblowing and to meet council policy framework formatting requirements.
- 2.3 The policy is a component of induction training and is included in the mandatory refresher exercise for all staff on the Council's key policies.

3. Main report

- 3.1 An annual review of the whistleblowing policy has been undertaken, as required under the Council's policy framework.
- 3.2 Material amendments to the existing policy are summarised as follows:
 - 3.2.1 the addition of a reference to elected members, who are considered 'workers' and are therefore covered by whistleblowing legislation (2.1);
 - 3.2.2 explicit reference to the right of the Governance, Risk and Best Value Committee to have access to full whistleblowing investigation reports (4.3.4 and 4.8.2);
 - 3.2.3 the removal of reference to 'good faith' to reflect amendments to the Public Interest Disclosure Act (7.3); and
 - 3.2.4 clarification on the retention of records (7.4 and 10.3).
- 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

- 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 those covered by the policy, access to information by Governance, Risk and Best Value Committee members, compliance with current legislation and record retention rules.

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

- 9.1 The policy is a local agreement with the recognised trade unions who were consulted during the course of the review.

10. Background reading/external references

- 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](#)
- 10.3 [Finance and Resources Committee 23 March 2017: item 7.2 - Whistleblowing Policy](#)

Andrew Kerr

Chief Executive

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11. Links

Appendices	
	Appendix 1 – Draft Revised Whistleblowing Policy for implementation on 27 March 2018

Whistleblowing Policy

Implementation date: 27 March 2018

Control schedule

Approved by	Finance and Resources Committee
Approval date	27 March 2018
Senior Responsible Officer	Nick Smith, Monitoring Officer
Author	Laura Callender
Scheduled for review	March 2019

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
0.3	27.03.2018	Laura Callender	Revised version for Finance & Resources Committee

Committee decisions affecting this policy

Date	Committee	Link to report	Link to minute
19.09.2013	Finance and Resources	Item 7.2 - Revised Whistleblowing Policy	Finance and Resources Committee The City of Edinburgh Council
27.08.2015	Finance and Resources	Item 7.13 - Review of Whistleblowing Arrangements	Finance and Resources Committee The City of Edinburgh Council
23.03.2017	Finance and Resources	Item 7.2 – Whistleblowing Policy	Finance and Resources Committee The City of Edinburgh Council

Whistleblowing Policy

Policy statement

- 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

- 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, elected members 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

- 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 e.g. your employment status or contractual arrangements.

Roles and responsibilities

4.1 Employee/ Worker obligations

- 4.1.1 You should report any concern to the Whistleblowing Hotline provider.
- 4.1.2 You can also report a concern to any Manager at the Council.
- 4.1.3 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.
- 4.1.4 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.
- 4.1.5 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.
- 4.1.6 You may also be called upon to assist the Whistleblowing Hotline provider regarding your disclosure.
- 4.1.7 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.

4.2 Whistleblowing Hotline

- 4.2.1 The Whistleblowing Hotline is maintained by **Safecall** which is a separate organisation.
- 4.2.2 The Whistleblowing Hotline can be accessed by phone, email and web portal at:-
 - 4.2.2.1 **0800 58 78 770;**
 - 4.2.2.2 cec@safecall.co.uk;
 - 4.2.2.3 www.safecall.co.uk/reports

- 4.2.3 The Whistleblowing Hotline is the main way to make a whistleblowing disclosure (it is not the only way however).
- 4.2.4 You can also make a whistleblowing disclosure to any Manager at the Council (see 4.2.6 and further detail at section 5).
- 4.2.5 The Whistleblowing Hotline provider will follow the procedure once they receive your disclosure as set out in this section, 4.3 and 5.
- 4.2.6 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.
- 4.2.7 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.
- 4.2.8 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.
- 4.2.9 In the case of 'major/significant' whistleblowing disclosures, the Whistleblowing Hotline provider will always carry out the investigation and reporting function.
- 4.2.10 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:-
- 4.2.10.1 be investigated internally;
 - 4.2.10.2 be referred to the Police;
 - 4.2.10.3 be referred to the external auditor; or
 - 4.2.10.4 form the subject of an independent inquiry.
- 4.2.11 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.
- 4.2.12 The Whistleblowing Hotline provider may therefore determine that matters raised by you are appropriately dealt with under the following Council policies and procedures:-

the Complaints Procedure, the Care Service Feedback Procedures, the Policy on Avoidance of Bullying and Harassment at Work, the 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.

4.2.13 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.

4.2.14 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.

4.3 Whistleblowing Hotline Reports

4.3.1 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.

4.3.2 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.

4.3.3 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.

4.3.4 The Whistleblowing Hotline provider will also maintain a record of all disclosures and provide summaries of all investigative outcome reports for the GRBV Committee as a matter of course. Full copies of whistleblowing investigative outcome reports will be made available to the GRBV Committee on request.

4.3.5 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:-

- 4.3.5.1 the number of calls;
 - 4.3.5.2 the type of message received;
 - 4.3.5.3 whether the call required to be handled by other means; and
 - 4.3.5.4 classification of the disclosure/ area of malpractice.
- 4.3.6 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.
- 4.4 Monitoring Officer's whistleblowing team**
- 4.4.1 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.
- 4.4.2 The Monitoring Officer's whistleblowing team will liaise with the Whistleblowing Hotline provider on both 'minor/operational' and 'major/significant' disclosure investigations.
- 4.4.3 The Monitoring Officer's whistleblowing team will determine when input should be sought from HR or any other relevant section/function of the Council.
- 4.4.4 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.
- 4.4.5 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.
- 4.4.6 Where there is deviation from the timescale set out at 5.1.3, it may be appropriate for the Monitoring Officer's whistleblowing team to set a revised timescale for completion of the investigation.
- 4.4.7 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.
- 4.5 Directorate Whistleblowing Liaison Officer(s)**
- 4.5.1 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.

4.5.2 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.

4.5.3 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.

4.6 Manager(s) of the Council

4.6.1 The Whistleblowing Hotline provider may pass 'minor/operational' disclosures to Managers for investigation where they consider it appropriate.

4.6.2 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.

4.6.3 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.

4.6.4 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.

4.6.5 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.

4.6.6 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.

4.6.7 Those called upon to assist the Whistleblowing Hotline provider must maintain confidentiality throughout the process.

4.6.8 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.

4.7 Monitoring Officer / Chief Executive / Executive Directors of the Council

4.7.1 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.

- 4.7.2 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.
- 4.7.3 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.
- 4.7.4 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.

4.8 GRBV Committee

- 4.8.1 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.
- 4.8.2 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. Detailed whistleblowing investigative outcome reports will be available on request. 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.
- 4.8.3 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.

4.9 All Parties Confidentiality Requirement

- 4.9.1 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

5.1 Procedure on receipt of a disclosure

- 5.1.1 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.
- 5.1.2 The Whistleblowing Hotline provider, or the Manager within the Council, will follow such procedures as necessary to investigate and conclude their findings.
- 5.1.3 Ordinarily a whistleblowing disclosure will be acted upon and concluded in good time. Good time will normally mean no more than three months.
- 5.1.4 A disclosure made by you will be treated with sensitivity and your confidentiality will be maintained.
- 5.1.5 If it is necessary, during the course of investigating your concern, to reveal your identity this will be discussed with you in advance.
- 5.1.6 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.
- 5.1.7 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.
- 5.1.8 A disclosure to the Whistleblowing Hotline or the Manager within the Council will be dealt with in three stages.
- 5.1.9 **Stage 1**

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

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.

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.

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.

5.1.10 Stage 2

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.

5.1.11 Stage 3

The Whistleblowing Hotline provider or the Manager within the Council will determine a programme of action.

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.

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.

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.

The outcome of the programme of action will be notified to you in writing.

Protection against victimisation

- 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

- 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 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, except where separate retention rules apply.

Disclosures to external bodies

- 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

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

- 10.1 The effective date of implementation is 27 March 2018.
- 10.2 All employees and workers will be made aware of the revised policy through established communications channels and the mandatory policy awareness exercise.
- 10.3 In accordance with the Council's Record Retention Scheme, details of all whistleblowing concerns and investigations will be retained for 6 years from the close of the investigation, except where separate retention rules apply (including, but not limited to child protection matters).

Related documents

- 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](#)
- 11.3 [Finance and Resources Committee 23 March 2017: item 7.2 Whistleblowing Policy](#)

Equalities and impact assessment

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

Strategic environmental assessment

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

Risk assessment

- 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.

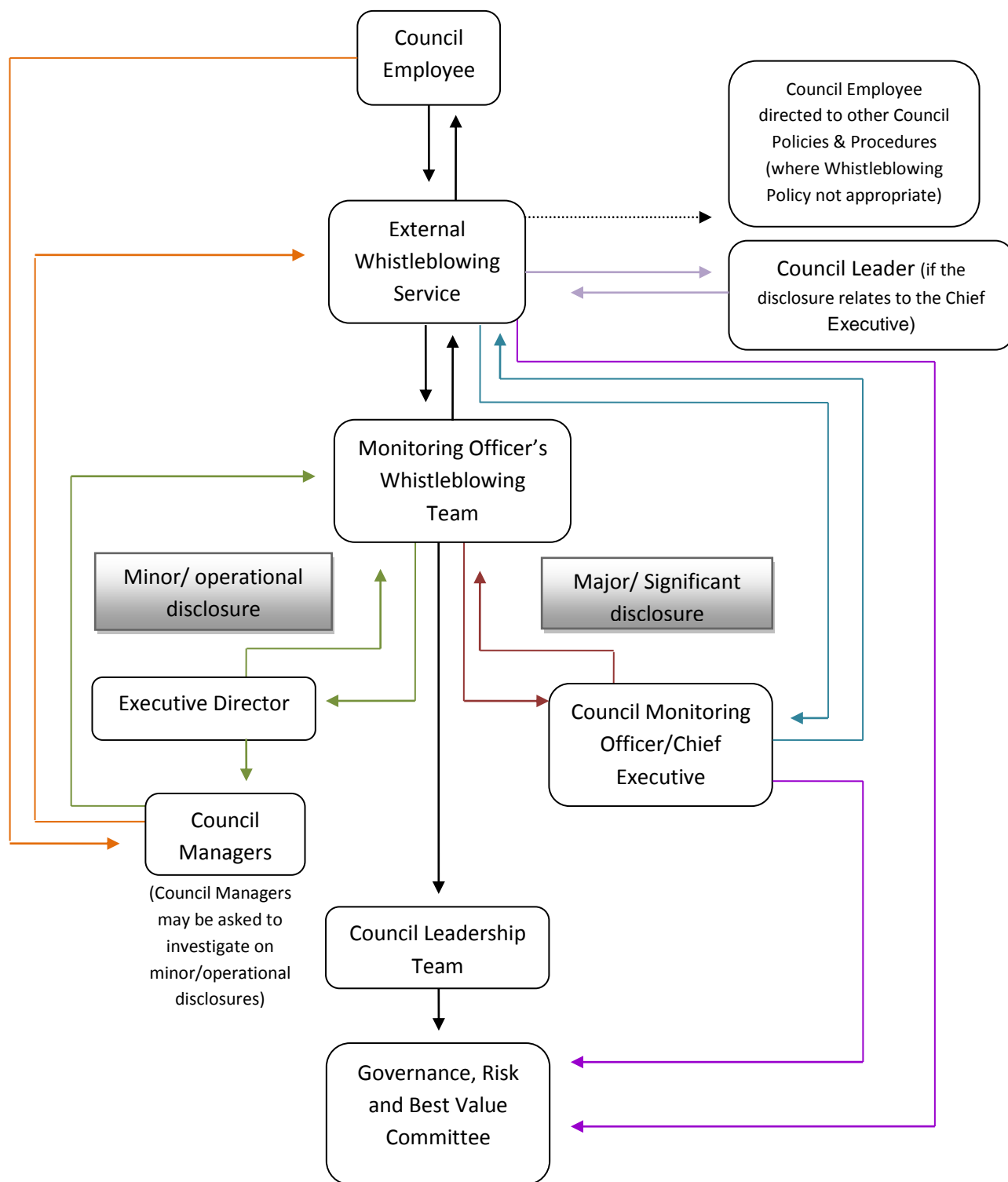
Local agreement

- 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

- 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, Tuesday, 27 March 2018

Health and Safety Performance in 2017

Item number	7.5
Report number	
Executive/routine	
Wards	All
Council Commitments	

Executive Summary

Substantial progress has been made in 2017 to improve the Council's health and safety performance, building on progress made in previous years. The focus in 2017 was to provide greater clarity on health and safety roles and responsibilities, aligned with the revised Council organisational structure. These were set out in a new Council Health and Safety Policy, and in new sub-policies for fire safety and asbestos.

The Council achieved a 16% reduction in the number of reportable injuries to employees in 2017 compared with the previous year, which further builds on the significant reductions in 2015 and 2016 (15% and 29% respectively). In the past 3 years, the Council has achieved an overall 49% decrease in the number of reportable injuries to employees, including a 69% decrease in major/'specified' injuries (such as fractures).

However, the findings from health and safety audits and assurance reviews continue to highlight areas for improvement.

Health and Safety Performance in 2017

1. Recommendations

- 1.1 Committee is recommended to review and be assured by health and safety progress and performance in 2017.

2. Background

- 2.1 The Council has duties under the Health and Safety at Work etc. Act 1974, and subordinate legislation, to ensure as far as is reasonably practicable the health, safety and welfare of its employees and others who could be affected by its undertaking.
- 2.2 The purpose of this report is to update on progress and performance in relation to health and safety in 2017.

3. Main report

- 3.1 During 2017, the Council built on good progress made in 2016 and 2015 across the six key priority areas set out below.

3.2 Health and Safety Governance, Assurance and Oversight

- 3.2.1 Governance maps were developed for each Directorate setting out governance reporting lines for health and safety groups and forums.
- 3.2.2 63 health and safety audits were carried out in 2017, as part of the rolling Health and Safety Audit Programme. These included audits of buildings, services, thematic audits (play parks and lone working) and contractor audits.
- 3.2.3 Following successful collaboration with Internal Audit on the assurance programme across schools and community centres managed by Communities and Families in 2015 and 2016, a 'centre based' assurance review was included in the 2017/18 annual plan approved by the Governance Risk and Best Value (GRBV) Committee in March 2017, focussing on Council-run care homes for the elderly. 10 health and safety audits were carried out in conjunction with Internal Audit and Information Governance.
- 3.2.4 PwC undertook an audit of contractor management. The audit identified areas for improving for contractor safety, including inter-departmental liaison. In response,

guidance was developed in collaboration with Strategic Asset Management for managers planning to modify/refurbish Council assets.

- 3.2.5 A review was carried out on the management of *Legionella* bacteria in water systems. Areas for improvement were identified and are being progressed, including a new Water Safety Policy which sets out roles and responsibilities.

3.3 Risk Management

- 3.3.1 The new Council Health and Safety Policy was approved by the Corporate Policy and Strategy Committee on 27 March 2017, following consultation with Trades Unions and stakeholders. The policy considers the new organisational arrangements and provides greater clarity on health and safety roles and responsibilities.
- 3.3.2 New sub-policies for fire safety and asbestos were also developed and approved, following consultation with Trades Unions and stakeholders.
- 3.3.3 Corporate Health and Safety were part of the Corporate Incident Management Team, led by Housing Property, following the Grenfell fire. The Scottish Fire and Rescue Service (SFRS) carried out fire safety inspections for all 44 high rise Council properties. A communications plan was put in place by Housing Property, and an offer was extended to residents' groups for SFRS and Housing Property staff to attend residents' meetings to discuss the fire safety precautions in place within their blocks. This offer was welcomed by Edinburgh Tenants Federation who have been extremely positive about the quick response and overall approach from the Council following the tragedy at Grenfell.
- 3.3.4 A new 'Take 5' initiative was developed with colleagues in the Place Directorate. The process is basically about taking five minutes to think about the job and the hazards, and is a simple and effective way to increase safety awareness. The tool will be used to augment the health and safety risk assessments. The initiative was piloted in Road Services, and will be rolled out in other services in 2018 taking a similar approach.
- 3.3.5 There was an increased focus on operational support for Household Waste Recycling Centres. Work was undertaken to support the development of new risk assessments, a new training programme, signage upgrade and improved arrangements for fire safety.
- 3.3.6 Ongoing health and safety support and expert advice was provided for Communities and Families throughout 2017 in response to complaints raised regarding two natural playgrounds in primary schools. Work was undertaken to substantiate the specialist advice provided from the Council's external accredited advisor on playground safety to ensure the risks in the playgrounds are within acceptable limits.
- 3.3.7 The Council's proposed Corporate Health and Safety Strategy and Plan for 2018-2020 has been set out for approval by this Committee. One of the Council's key

strategic aims is to build a strong health and safety culture, where health and safety roles, responsibilities and accountabilities are fully understood and competently discharged.

3.4 Measurement

- 3.4.1 Quarterly and annual health and safety performance dashboards were produced by Corporate Health and Safety to provide oversight on health and safety performance at both Council and Directorate levels. The dashboards contain leading and lagging metrics including information on health and safety incident statistics, thematic audit findings and training.
- 3.4.2 Benchmarking was carried out with seven other Councils in Scotland for 2016 injury statistics. The Council compared favourably with other Councils for RIDDOR reportable employee injuries (2nd out of 8), and was mid table for all employee injuries (4th out of 7). One of the Councils benchmarked against was unable to provide data on the total number of injuries. The top causes of employee injuries were broadly consistent across all Councils: violence and aggression, manual handling, and slips, trips and falls.
- 3.4.3 Further benchmarking was carried out with six Councils in England of comparable economy and population. However, the benchmarking exercise revealed that most of these Councils are not comparable in terms of services delivered, with several higher risk services outsourced.

3.5 Communications

- 3.5.1 A suite of health and safety posters was developed to improve health and safety awareness for topics including fire safety, asbestos, vibration, and near-miss reporting.
- 3.5.2 A new 'blue print' health and safety notice board was introduced with the new health and safety branding. New notice boards have been installed at several locations, including Waverley Court, household waste recycling centres and street cleansing depots.
- 3.5.3 The health and safety landing page on the Orb (intranet) was re-designed with improved signposting. Further work is underway to re-design the navigation on the Orb for health and safety resources.

3.6 Training

- 3.6.1 A new one day health and safety training course for schools was developed for Head Teachers, Deputy Head Teachers, and Business Managers in response to feedback about the impact on school staff of having to attend training. The new course has been well received and is included in the Essential Learning Matrix as mandatory training to be completed every three years.

- 3.6.2 The suite of health and safety e-learning modules, available on CECil (the Council's e-learning system) was refreshed.
- 3.6.3 Corporate Health and Safety achieved accreditation to deliver the new IOSH¹ Leading Safety Course aimed at Executive Directors and Senior Managers. The course is currently being rolled out to the Wider Leadership Team (WLT), and its wider roll out across the Council will follow.

3.7 Leadership and Accountability

- 3.7.1 The Health and Safety Conference in October 2017, hosted by the Chief Executive, was attended by 300 senior managers and key stakeholders, including Elected Member representation, Trades Unions, regulators, and partners. The keynote address was by Lawrence Waterman OBE, who shared his experience of leading health and safety for the successful London 2012 Olympics build. This impactful presentation, highlighting the importance of leadership in shaping the health and safety culture, was especially well received.
- 3.7.2 The Chief Executive, Executive Directors, colleagues in service areas and schools, and Trades Unions, participated in a short film to affirm their personal commitment to health and safety and to promote the message that 'health and safety is everyone's responsibility'. The film was first shown at the Health and Safety Conference and will be used in training.
- 3.7.3 The Council continued to engage positively and collaboratively with Trades Unions on health and safety matters, recognising the important role of accredited safety representatives.

3.8 Health and Safety Performance in 2017

- 3.8.1 The Council achieved a 16% decrease in the number of RIDDOR² reportable injuries to employees in 2017 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), and builds on the 29% and 15% decreases achieved in 2016 and 2015, respectively. In the past three years, the Council has achieved an overall 49% decrease in number of reportable injuries to employees, including a 69% decrease in major/'specified' injuries (such as fractures), and a 45% decrease in injuries resulting in over-seven days absence from work.
- 3.8.2 There were 1574 employee injuries, 633 excluding assaults. The employee injury rate for 12 months is 8.4 per 100 and 3.4 excluding assaults. This compares

¹ Institution of Occupational Safety and Health

² Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

favourably with 8.6 per 100 employees (2% decrease) and 3.4 excluding assaults (equal) in 2016, respectively.

- 3.8.3 Employee injuries resulting from violence and aggression/assaults accounted for 60% of all injuries, comparable with 2016. The majority (90%) of these injuries were in schools, and mostly in relation to service users with additional support needs for learning. In 2017, there was a 28% decrease in injuries in special schools but a 42% increase in primary schools. The increase in primary schools is considered to be attributed in part to increased awareness on reporting of injuries resulting from violence and aggression. Property and Facilities Management are currently leading on initiatives to reduce the incidence of assaults and enhance the learning and teaching experience in special schools, primary schools with language classes, and young persons' centres. Work is also underway in care homes, and is being carried out in collaboration with the Dementia Centre at Stirling University who have provided advice and training for Property and Facilities Management staff.
- 3.8.4 The findings from health and safety audits, assurance reviews and incident investigations carried out in 2017 have highlighted a number of significant risks, including life safety risks such as fire safety, water safety (*Legionella*) and asbestos, where improvements are required. The audits in care homes also highlighted areas for improvement for patient safety. The thematic report for the Care Homes Assurance Review was reported to Governance Risk and Best Value Committee in March 2018.
- 3.8.5 The Council has already recognised the poor condition of some of its estate, and the associated health and safety risks. Following approval of the Council's budget for 2018/19, a plan is in place to upgrade the estate to minimise these risks.
- 3.8.6 Housing Property retained the Royal Society for the Prevention of Accidents (RoSPA) Gold medal in 2017. This award is based on an organisation's health and safety performance assessed against the judging criteria.
- 3.8.7 A fatal accident inquiry was held in June 2017 at the Edinburgh Sheriff Court, following the tragic fatality of a pupil at Liberton High School in 2014, as the result of the collapse of a free-standing wall. In the determination, the Sheriff concluded that there were no reasonable precautions where the pupil's death, or the accident, might have been avoided. The determination also reported that the Council had taken all reasonably practicable measures to ensure the wall was inspected and maintained.

4. Measures of success

- 4.1 Measures of success include improved health and safety performance, with a strong safety culture where health and safety roles, responsibilities and accountabilities are fully understood and competently discharged.

5. Financial impact

- 5.1 The staffing costs for the Corporate Health and Safety team in 2017 was £480K. This was lower than the budgeted cost due to ongoing difficulties with filling advertised roles.
- 5.2 The cost of delivering the Health and Safety Conference was £9,500.
- 5.3 The annual renewal cost for the electronic incident reporting system was c. £8,000.

6. Risk, policy, compliance and governance impact

- 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

- 7.1 There are no adverse equality impacts arising directly from this report. However, implementation of the Council's Health and Safety Policy and supporting procedures and guidance will help to ensure that reasonable workplace adjustments are made for those individuals who require them.

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 There has been ongoing consultation and engagement with Trades Unions and other stakeholders.

10. Background reading/external references

- 10.1 [Council Health and Safety Policy](#).
- 10.2 Report to Finance and Resources Committee, 27 March 2018: Proposed Corporate Health and Safety Strategy 2018-2020.

Stephen S. Moir

Executive Director of Resources

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday 27 March 2018

Corporate Health and Safety Strategy and Plan 2018-2020

Item number	7.6
Report number	
Executive/routine	
Wards	All
Council Commitments	

Executive Summary

This report sets out the Council's proposed Corporate Health and Safety Strategy and Plan for 2018-2020.

To support the successful delivery of the Council's Business Plan, one of the Council's aims is to build a strong health and safety culture, where health and safety roles, responsibilities and accountabilities are fully understood and competently discharged. The Council will endeavour to achieve this through (i) supporting people at all levels to ensure they are suitably trained and informed and; (ii) committing to continuous improvement for health and safety across all areas, with a focus on life safety risks including fire, asbestos and water safety (incl. *Legionella*).

Corporate Health and Safety Strategy and Plan 2018-2020

1. Recommendations

- 1.1 Committee is recommended to approve the Council's Corporate Health and Safety Strategy and Plan 2018-2020.

2. Background

- 2.1 The City of Edinburgh Council's Business Plan 2017-2022 sets out the commitments to the city, the five strategic aims and outcomes, and identifies how success will be measured.
- 2.2 The Council's Health and Safety Strategy and Plan sets out the Council's health and safety aims for the next three years, and will support the delivery of the Council's Business Plan by ensuring our people and third parties, including members of the public, contractors, service users and pupils, are safe.
- 2.3 This Strategy and Plan builds on progress and achievements over the last three years, where the Council has achieved a 49% reduction in the number of RIDDOR reportable¹ employee injuries.

3. Main report

- 3.1 The Council's aim is to build a strong health and safety culture, where health and safety roles, responsibilities and accountabilities are fully understood and competently discharged. This will be achieved by supporting people at all levels to ensure they are suitably trained and informed and know what is expected from them. The Council also aims to have a vision of continuous improvement for health and safety performance across all areas, with a focus on life safety risks including fire, asbestos and water safety (incl. *Legionella*).
- 3.2 The Council also recognises the importance of health and wellbeing for its employees. Health and wellbeing interventions will be co-delivered through (i) this Strategy and Plan, where the focus will be on minimising ill-health due to work (as

¹ RIDDOR - We are required to report the most serious incidents to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

required by health and safety law); and (ii) the Council's People Strategy and People Plan 2017-2020, where the focus is on wellbeing and employee support through the new Occupational Health provider and Employee Assistance Programme.

- 3.3 The successful delivery of the Strategy and Plan is dependent upon continued levels of strong leadership, both political and managerial, and commitment and participation from all levels and services across the Council.
- 3.4 The Strategy and Plan will be reviewed on an annual basis, or sooner following any significant change, to ensure that it remains fit for purpose.
- 3.5 The six strategic aims are set out in Appendix 1 to this report.
- 3.6 Details of how the Council will achieve the six strategic aims are set out below:

AIM 1 Promote a proportionate approach to risk management, ensuring health and safety risks across all our services are identified, evaluated and adequately controlled. We will also comply with our legal obligations.

We will achieve this by:

- Allocating adequate resources to manage our health and safety risks, and satisfy legal and other requirements;
- Understanding our current and emerging legal and regulatory health and safety obligations;
- Having a health and safety policy, sub-policies and standards which are compatible with our overall strategic aims;
- Having effective processes to identify our health and safety hazards, evaluate the risks and implement the necessary controls;
- Determining and implementing applicable health and safety controls for procurement and contractor management; and
- Learning from incidents through investigation, including root cause analysis, and ensure that learnings are appropriately shared.

AIM 2 Provide clarity on health and safety roles and responsibilities so that our people know what's expected from them and what they can expect from others, and lead by example.

We will achieve this by:

- Further developing our Elected Members and Council staff to ensure that they have the necessary knowledge to provide strong health and safety leadership;
- Demonstrating strong sustained leadership and commitment from Elected Members, the Corporate Leadership Team (CLT), Heads of Service, Senior Managers and beyond;

- Having clearly defined corporate health and safety roles, responsibilities and accountabilities; and
- Having clearly defined operational health and safety roles and responsibilities at Service level.

AIM 3 Support our people to ensure they are competent and have the necessary skills to do their job in a safe and healthy way.

We will achieve this by:

- Providing induction training, both corporately and locally via line managers, to all new employees and agency workers that includes health and safety matters appropriate to their role;
- Conducting health and safety training needs assessments across all our services;
- Ensuring that our people receive appropriate health and safety training, including refresher training and on the job up-skilling, and have the necessary skills to tackle unsafe behaviours;
- Having oversight of the quality of internal and external health and safety training provided to our people; and
- Vetting contractors to check their level of competence, consistent with the Council's standards and legal requirements.

AIM 4 Engage with our people, colleagues, partners, contractors and Trade Unions to work collaboratively, ensuring that health and safety risks are managed.

We will achieve this by:

- Communicating on health and safety matters on a regular basis;
- Including health and safety as a standing agenda item at team meetings;
- Supporting the participation of, and ongoing engagement with, Trades Unions; and
- Working collaboratively with our partners, including NHS Lothian and Police Scotland, and contractors.

AIM 5 Provide the framework for setting the risk appetite and key performance indicators, and measuring health and safety performance. We will also benchmark with other organisations and against industry standards.

We will achieve this by:

- Setting our risk appetite and tolerances for health and safety;
- Defining our key performance indicators for health and safety;
- Providing an online incident reporting system to enable recording of all incidents, including near misses;

- Continually evaluating and monitoring our health and safety performance to identify opportunities for improvement at an Organisational and Directorate level; and
- Benchmarking against other organisations and industry standards.

AIM 6 Ensure the effectiveness of health and safety governance, assurance and oversight across the Council by robust design, including reporting arrangements.

We will achieve this by:

- Having a robust governance, assurance and reporting framework for health and safety, aligned with the Council's Risk Framework and Internal Audit Plan;
- Reporting annually on health and safety performance, and key achievements in the previous year, to CLT and the Finance and Resources Committee;
- Reporting quarterly on health and safety performance to key stakeholders;
- Carrying out health and safety audits and reviews to ensure health and safety standards are being maintained and to identify areas for improvement, taking a risk based approach;
- Undertaking validation checks to support the completion of the Executive Directors' Annual Governance Statement;
- Keeping well informed about compliance with Council health and safety policies, sub-policies and standards; and
- Ensuring appropriate escalation of health and safety risks and issues.

3.7 The Corporate Health and Safety Plan 2018-2020, designed to deliver this Strategy, is shown in Appendix 2.

4. Measures of success

4.1 The success of the Health and Safety Strategy will be measured by indicators which consider the strategic aims together with leading and lagging key performance indicators:

- Reduced number of RIDDOR reportable incidents;
- Increased level of 'near miss'² reporting;
- Directorate Health and Safety Plans are in place to support the implementation of the Corporate Health and Safety Strategy and Plan. Owners and timescales have been agreed;

² Near miss is a type of incident where injury, ill health, or fatality could have occurred, but did not actually occur.

- Action plans from audits, reviews and incident investigations are implemented within the agreed timescales;
- Health and safety roles, responsibilities and accountabilities within the services are defined, communicated and understood; and
- Increased evidence of reinforcing safe behaviours and challenging unsafe behaviours.

5. Financial impact

- 5.1 There are significant financial and workforce planning implications associated with the upgrade of the Council's operational estate to mitigate health and safety issues. The financial implications of this were set out in a report to this committee in January 2018.
- 5.2 The staffing cost for the Corporate Health and Safety Team is c. £620K.
- 5.3 The cost of delivering the IOSH Leading Safely course for the Wider Leadership Team (WLT) is £5,000.
- 5.4 The cost of the electronic incident reporting system is c. £8,000.

6. Risk, policy, compliance and governance impact

- 6.1 The Strategy and Plan supports the Council's commitment to protecting the health, safety and welfare of our employees and third parties, including members of the public, contractors, service users and pupils, which is set out in the Council Health and Safety Policy.
- 6.2 Governance for the delivery of the Strategy and Plan will be through the health and safety governance and reporting framework.

7. Equalities impact

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

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 The Corporate Health and Safety Strategy and Plan has been developed in consultation with Trades Unions and key stakeholders.

10. Background reading/external references

- 10.1 [The City of Edinburgh Council's Business Plan 2017-22](#)
- 10.2 [Council's People Strategy and People Plan 2017-2020](#)
- 10.3 [Council Health and Safety Policy](#)
- 10.4 [Council Health and Safety Governance Framework](#).

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Appendices

Appendix 1 – Strategic Aims

Appendix 2 – Corporate Health and Safety Plan 2018-2020

Appendix 1 – Strategy Aims

Promote a proportionate approach to risk management, ensuring health and safety risks across all our services are identified, evaluated and adequately controlled. We will also comply with our legal obligations.



**Risk Management and
Legal Compliance**

Provide clarity on health and safety roles and responsibilities so that our people know what's expected from them and what they can expect from others, and lead by example.



**Leadership and
Accountability**

Support our people to ensure they are competent and have the necessary skills to do their job in a safe and healthy way.



Competence

Engage with our people, colleagues, partners contractors and Trade Unions to work collaboratively, ensuring that health and safety risks are managed.



**Engagement and
Collaboration**

Provide the framework for setting the risk appetite and key performance indicators, and measuring health and safety performance. We will also benchmark with other organisations and against industry standards.






Measurement

Ensure the effectiveness of health and safety governance, assurance and oversight across the Council by robust design including reporting arrangements.






**Governance, Assurance
and Oversight**

Appendix 2 - Corporate Health and Safety Plan 2018-2020

Strategic theme	Year 1 – 2018	Year 2 - 2019	Year 3 - 2020
 <p>Risk Management and Legal Compliance</p>	<ul style="list-style-type: none"> • Develop a new Council Water Safety Policy (May) • Refresh the health and safety risk profiles with each Directorate/Service (June) • Support the development of Directorate/Service Level Operational Health and Safety Plans (Sept) • IJB – map Council and NHS policies and procedures and develop a prioritised action plan for joint procedures in collaboration with NHS Lothian (September) • Re-design the navigation for health and safety resources on the Orb (intranet) (June) 	<ul style="list-style-type: none"> • Develop a suite of health and safety Standards • IJB – develop and implement joint procedures, in collaboration with NHS Lothian (year 2 and 3) 	<ul style="list-style-type: none"> • Ongoing annual review of Council Health and Safety Policy, sub-policies and Standards • Re-develop the health and safety content on the Orb
 <p>Leadership and Accountability</p>	<ul style="list-style-type: none"> • Define roles, responsibilities, and accountabilities for water safety (as part of the new Council Water Safety Policy) (May) 	<ul style="list-style-type: none"> • Health and Safety Conference for the Wider Leadership Team (WLT) and key senior stakeholders (bi-annual) 	<ul style="list-style-type: none"> • Ongoing annual review of health and safety roles, responsibilities and accountabilities as part of the annual review of the Council Health and Safety Policy, sub-policies and Standards
 <p>Competence</p>	<ul style="list-style-type: none"> • Deliver IOSH³ Leading Safely to WLT, and thereafter on request (June) • Carry out a health and safety training needs assessment with each Directorate/Service (August) • Undertake a review of the Corporate Health and Safety training proposition to identify any gaps and areas for improvement (October) • Review health and safety training delivered outside the Corporate Health and Safety training programme (December) 	<ul style="list-style-type: none"> • Re-develop the Corporate Health and Safety training proposition (year 2 and 3) 	<ul style="list-style-type: none"> • Ongoing review of the Corporate Health and Safety training proposition

³ IOSH – Institution of Occupational Safety and Health

Strategic theme	Year 1 – 2018	Year 2 - 2019	Year 3 - 2020
 <p>Engagement and Collaboration</p>	<ul style="list-style-type: none"> • Ongoing engagement and collaboration with Trades Unions and stakeholders • Ongoing engagement and collaboration with regulators • Ongoing collaboration with Internal Audit on assurance activity • Increased collaboration with contract owners regarding contractor safety 	<ul style="list-style-type: none"> • New Health and Safety Achievement Award (bi-annual) 	
 <p>Measurement</p>	<ul style="list-style-type: none"> • Annual report on health and safety performance and key achievements to CLT and Finance and Resources Committee (March) • Benchmarking with other organisations (March) • Benchmarking with industry standards (April) • Develop a new fire safety dashboard (April) • Re-tender for the online incident reporting tool (November) 	<ul style="list-style-type: none"> • Implement the new online incident reporting tool 	
 <p>Governance, Assurance and Oversight</p>	<ul style="list-style-type: none"> • Ongoing health and safety audit programme (additional assurance activity is undertaken by Internal Audit as part of the Annual Internal Audit Plan, and other reviews commissioned by Property for example) • Implement an online tool to track health and safety audit actions (September) • Ongoing health and safety reporting via the governance and reporting framework • Ongoing escalation of health and safety risks and issues 		

Finance and Resources Committee

10am, Tuesday, 27 March 2018

Council Revenue Budget Framework (2018–2023) – Impact Assessments Update Report

Item number 7.7

Report number

Executive/routine

Wards

Council Commitments

Executive Summary

A report to the Finance and Resources Committee on 8th February 2018 presented a summary of the main potential equality, rights and environmental impacts of proposals described within the draft Revenue Budget Framework 2018-23, and identified recommendations for mitigating potential negative equality and rights impacts, enhancing potential positive impacts, alongside an assessment of cumulative impacts.

This report provides an update on these assessments, noting changes arising from the approved budget motion, and presents a final assessment of cumulative impacts.

Council Revenue Budget Framework (2018 – 2023) Impact Assessments Update report

1. Recommendations

1.1 It is recommended that the members of the Committee:

1.1.1 Note and continue to pay due regard in any further decision-making concerning these proposals, to

- the potential equality, rights and environmental impacts associated with the revenue budget 2018-23 proposals
- the recommendations to mitigate potential negative impacts, and
- the cumulative equality, rights and environmental impacts across all revenue budget proposals

2. Background

- 2.1 The Council's Draft Revenue Budget Framework 2018/23 set out a series of savings proposals. The report to Committee on 8th February presented a summary of potential equality, human rights, carbon, climate change and sustainable development impacts from these proposals, and of associated mitigating actions to address negative impacts, all of which informed the budget decision on 22 February 2018.
- 2.2 Since then, further information on the agreed budget proposals, including significant additional service investment, has informed the final cumulative impact assessment.
- 2.3 Integrated Impact Assessments enable the Council to assess the positive and negative impacts on people with protected characteristics in the City. They also enable the development of mitigating actions to counteract negative impacts. Due regard of such assessments should be given at Council Committees when major decisions are being made. The conclusions presented in this paper help to demonstrate meeting the requirements of the Equality Act 2010, human and children's rights conventions, and the Climate Change (Scotland) Act 2009.

3. Main report

- 3.1 There were 44 budget proposals being considered for approval by Council on 22 February 2018. To comply with statutory obligations due regard was given to the equality impact and environmental impact assessment of budget proposals.
- 3.2 Many of the budget proposals for 2018-2023 were considered as having no potential relevant impact on equality and the environment. Where proposals identified relevant potential impacts proposal sponsors were required to complete an Integrated Impact Assessment. A number of these assessments have already been completed. For others, background information on the proposal has been gathered to inform the final cumulative assessment and proposed sponsors are required to develop the Integrated Impact Assessment throughout the further development and implementation stages of the proposal.
- 3.3 Throughout this process, Finance co-ordinated the development of the budget proposals, with support and advice on equality and environmental impacts provided by the Strategy and Business Planning team where required. Responsibility for assessing the corresponding potential equalities and rights and environmental and sustainable development impacts rests with the savings proposer.
- 3.4 In carrying out the interim Cumulative Integrated Impact Assessment it was noted that more information on ten of the proposals was required. Outcomes of Council's budget-setting meeting on 22nd February, particularly those proposals not taken forward and approved additional service investment, have also informed this final Cumulative Integrated Impact Assessment.
- 3.5 **Summary update of the main potential equalities, rights and environmental impacts, including proposed mitigating actions.**
- 3.5.1 Fleet Financing Model (proposal 2) – Please see revised proposal ADD4 (below) which now replaces this proposal
- 3.5.2 Advertising on verges and roundabouts (proposal 5) – Original concern about advertising on roundabouts and verges because drivers could be distracted or confused by additional signs is now alleviated as implementation of this proposal will include using the experience of other local authorities and undertaking separate safety audits for each location.
- 3.5.3 Reviewing grants and contract management (proposal 6) – £130,000 of this saving is proposed to come from the conclusion of a number of projects funded from the Social Justice Fund. These particular funding arrangements were due to come to an end in 2018. However, some further actions to mitigate potential issues resulting from the ending of the funding have been identified where appropriate. As a result, no significant impact is anticipated.
- 3.5.4 Improving occupational health and wellbeing support for staff (proposal 9) – The initial assessment identified that revised arrangements will enable more timely action to support people who become unwell and are unable to attend work, including individuals who may consider themselves to have a disability or long-term condition within the Council's employment. The service will

provide advice on reasonable adjustments that could be made to enable disabled employees to continue in their role or to return to work. It will also provide advice for women returning to roles after pregnancy. An Integrated Impact Assessment was undertaken as part of this tendering process and identified action to require staff to be equality trained and provider premises to be accessible.

- 3.5.5** Automating major processes and transactions for citizens (proposal 12) – An impact assessment highlighted the advantage of alleviating operational pressure on staff but did not identify any positive or negative impacts on any protected characteristic groups.
- 3.5.6** Reviewing Disabilities Day Services realignment (proposal 14) - An integrated impact assessment was deemed not to be required for this proposal as the service is not ceasing but merely being delivered in another way i.e. through a third party rather than internal Council staff. The proposal sponsor is confident that the service users are therefore not impacted.
- 3.5.7** Edinburgh Leisure (proposal 15 and proposal 27) - In view of feedback received, the level of investment in Edinburgh Leisure was increased (by £150k) relative to the original proposals and it is anticipated that this level of investment will preserve existing facility opening hours, with any increases in charges focused on those assessed to be best able to pay
- 3.5.8** Home to School Transport (proposal 16) - This project is still at the development stage. The team for the Health and Social Care element of the programme has only recently been established. An Integrated Impact Assessment will be completed for the full Travel Demand Management Programme, one workstream of which is Home to School Transport and a second which is Health and Social Care top 50 client transport costs. This Integrated Impact Assessment session involving the full team and covering the full Travel Demand Management programme will take place shortly.
- 3.5.9** Reviewing Communications Structures (proposal 20) - No issues are anticipated by the proposal sponsor (e.g. the impact on availability of materials in accessible formats). The timing of this review has been revised. However, in line with other structural reviews a formal equality impact assessment will be undertaken.
- 3.5.10** Reviewing Night Team Delivery arrangements (proposal 23) - While an impact assessment was completed, this proposal was not approved as part of the budget motion therefore is no longer relevant.
- 3.5.11** Transport Policy Enforcement (proposal 24) - Impact seeks improved outcomes for sustainability, congestion and air quality reporting through enforcement leading to behavioural change.
- 3.5.12** Align Economic Development to new Strategy (proposal 33) – Please see revised proposal ADD5 which now supersedes this proposal.

3.5.13 Public Transport Initiatives (proposal 35) - Better alignment of public transport delivery will improve integration, carbon reduction performance and affordable public transport for low to middle income households.

New proposals

3.6 As indicated at the Finance and Resources Committee on 8 February 2018, four additional proposals were identified by officers and approved as part of the 2018/19 budget motion on 22 February. The assessed impacts of these proposals are as follows:

- ADD1 Efficiencies in purchasing contract inflationary uplifts: There will be no relevant impacts across any of these areas.
- ADD4 Fleet financing model: There are no anticipated equalities and human rights issues. Procurement of newer vehicles (with increased green fuel potential) will have a positive impact on carbon reduction. (This updated proposal includes an additional saving of £0.200m in 2018/19 relative to earlier estimates)
- ADD5 Align Economic Development to new strategy: This proposal revises Proposal 33. However, the assessment of impact remains the same. The Council's Economic Strategy is currently being reviewed. The strategy will lead to a rationalisation of the Council's approach to economic development. There will be a stronger focus on high impact outcomes particularly those supporting innovation in business development and promoting fairness and equality.
- ADD6 ICT Technology savings: There are no equalities, human rights and carbon, climate change adaptation and sustainable development impacts.

Cumulative Impacts

3.7 A large number of this year's budget proposals with equalities, rights and environmental impacts are to review Council structures and/or processes. Five of these proposals were considered to have positive environmental impacts – mainly that of carbon emission reductions, while the remaining proposals concluded that neither positive or negative environmental impacts were foreseen. The previous report of 8th February highlighted the potential cumulative impacts on staff with protected characteristics as a result of revenue budget proposals, and associated changes to services. For example, employees with particular demographics may be more negatively affected overall from employee cost reductions across the Council.

3.9 Equalities impact assessment is undertaken for each significant re-structuring of service involving employee reduction including engagement and consultation with trade unions about these proposals as they develop.

3.10 In addition, Human Resources is responsible for monitoring the cumulative effect of those affected by staffing reductions and, if appropriate, identifying action to

mitigate impacts. This will include the following budget proposals as they are rolled out:

- Reviewing Customer Service structures (Proposal 11),
- Reviewing Strategy and Insight structures (Proposal 32)
- Reviewing Business Support and Shared Services (Proposal 34)
- Reviewing property and facilities management (proposal 38)
- Reducing Interim Management expenditure (proposal 40)
- Reviewing Human Resources (proposal 42)
- Reviewing Finance and Procurement Structures (proposal 43)
- Reviewing Legal and Risk Structures (proposal 44)

- 3.11 The interim cumulative impact assessment identified older people, people with disabilities, people experiencing poverty and people for whom English is not their first language potentially being impacted by proposals. However, in light of the integrated impact assessments since submitted, the mitigating actions identified, the proposals not approved by Council and additional investments agreed by Committee it is concluded these groups are no longer likely to be impacted negatively by the budget proposals.
- 3.12 Lessons learned from this year's budget preparation will be reviewed and should be incorporated at the earliest opportunity into the budget proposal process for next year.

4. Measures of success

- 4.1 Due regard to the equality and rights impacts has been given to each of the savings, and additional income budget proposals.
- 4.2 The potential equality and rights impacts are taken into account when budget decisions are being made, and recommendations for mitigating negative impacts are implemented and reported on.
- 4.3 The potential carbon emissions, climate change adaptation and sustainable development impacts are taken into account when budget decisions are being made.
- 4.4 The potential cumulative (both annual and incremental) impacts are taken into account, and mitigating actions are identified when each year's budget decisions are being made.
- 4.5 Senior managers across all Service Areas take responsibility and ownership for compliance with Council systems put in place to ensure that statutory duties are met.

5. Financial impact

- 5.1 This report identifies the potential risks in relation to equality, rights and the environment. The Council could be the subject of a legal challenge if these risks are not considered and addressed. Other financial risks relate to savings derived from preventative services which may result in increased demand on other crisis intervention services.

6. Risk, policy, compliance and governance impact

- 6.1 The incorporation of equalities and rights, and carbon impact assessments as an integral part of the budget development process reflects both good practice and compliance with relevant legal duties. This activity enables the Council to highlight any unintended consequences of specific proposals on vulnerable service users, climate change and partnership and prevention activity, increasing the effectiveness of the mitigating actions.
- 6.2 The process is also aligned to wider council and Edinburgh Partnership strategies and plans, enabling more effective prioritising of available resources in a way that best supports the needs of vulnerable service users and groups.

7. Equalities impact

- 7.1 Undertaking equality and rights impact assessment is intended to ensure that any negative impacts, including cumulative impacts, for protected characteristic groups set by the Equality Act 2010 are reduced.
- 7.2 It also ensures that the Equality Act 2010 public sector equality duty is met with regard to (i) eliminating unlawful discrimination, victimisation and harassment; (ii) advancing equality of opportunity and (iii) fostering good relations, and that any infringements on human and children's rights are minimised.

8. Sustainability impact

- 8.1 Carbon impacts assessments have enabled consideration of the public body duties under the Climate Change (Scotland) Act 2009. The findings of these assessments will also help to achieve a sustainable Edinburgh with regard to progressing climate change, social justice and community wellbeing objectives.

9. Consultation and engagement

- 9.1 Lead officers are required to have utilised a range of evidence gathering, including public involvement where appropriate to draw up proposals and consider their impact.
- 9.2 A Council-wide budget engagement process has also taken place. This has included members of EaRN (The Equality and Rights Network). Feedback was then gathered as part of the budget engagement process.
- 9.3 The cumulative impact assessment is based on the information provided in the proposal templates and from the budget engagement feedback.

10. Background reading/external references

[Equality, Diversity and Rights Framework 2017 - 2021](#)

[Public Bodies Climate Change Duties Reporting](#)

[Revenue Budget Framework 2018/23: Mid-Year Review](#), Finance and Resources Committee, 7 November 2017

Final Cumulative Integrated Impact Assessment

Andrew Kerr

Chief Executive Officer

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11. Appendices

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Spend to Save Funding – Craiglockhart Leisure and Tennis Centre

Item number	7.8
Report number	
Executive/routine	Executive
Wards	
Council Commitments	39 – put exercise at the heart of our health strategy by increasing access to sport and leisure facilities

Executive Summary

This report sets out a request for spend to save funding of £285,259 for Craiglockhart Leisure and Tennis Centre, to support the provision of six all-weather, floodlit tennis courts. The project has a 4.25-year payback period.

Spend to Save Funding – Craiglockhart Leisure and Tennis Centre

1. Recommendations

- 1.1 It is recommended that members of the Finance and Resources Committee:
- 1.1.1 Consider the Spend to Save application in respect of Craiglockhart Leisure and Tennis Centre (CLTC) from Edinburgh Leisure (EL) and, subject to approval, refer this decision to Council for ratification for use of Fund.

2. Background

- 2.1 Craiglockhart Leisure and Tennis Centre is managed by Edinburgh Leisure on behalf of the Council. While operated by EL, CLTC is owned by the Council and the proposed investment will enhance a Council-owned asset.
- 2.2 CLTC offers the following tennis facilities:
- six acrylic indoor courts, available all year round;
 - three American fast dry clay courts, historically covered by an inflatable dome, which enabled them to be used during the winter months; and
 - five outdoor American fast dry clay courts, which are open between May and September, subject to weather and light.
- 2.3 The venue is under increasing pressure to meet the needs and balance out the demand from coaching programmes, club lets and public bookings. In the winter months, the demand for indoor courts is oversubscribed. The outdoor courts are ineffective at removing surface water, and following heavy rainfall or low temperatures, they are rendered unplayable for long periods of time, and play is therefore limited. Maintenance costs currently surpass income generated.
- 2.4 A project team, including representatives from Tennis Scotland, the Lawn Tennis Association (LTA), Sportscotland, the Council and Edinburgh Leisure has considered various options that would enable CLTC to increase participation, meet the needs of users and achieve a more sustainable business model.

3. Main report

- 3.1 The project team has identified the following preferred option:
- add an additional outdoor court to create six outdoor courts, as required by the LTA to host tournaments;
 - extend hours of play through the introduction of floodlighting; and
 - move to all year-round play through a modern synthetic clay surface, with lateral and perimeter drainage that can cope with the climate, and provide a high-quality playing experience for intensive public use, while being the preferred surface for performance players and tournaments.
- 3.2 EL has advised that the project has been discussed with SportsScotland, Tennis Scotland and the Lawn Tennis Association. All organisations have given positive indications on support. The total estimated cost of the works is £535,259, with £250,000 of funding contributions anticipated towards costs. The request is for Spend to Save funding of £285,259.
- 3.3 If the project is to be ready for the 2018 outdoor tennis events season, works would have to be complete for June 2018.
- 3.4 Income expected to be generated from the new all-weather courts is estimated at £51,000 per annum, compared to £4,000 from the existing clay courts. Additionally, running costs, including those relating to the provision of floodlights, are estimated to be £20,000 lower than the costs of servicing the existing clay courts.
- 3.5 These savings would enable the Spend to Save funding to be repaid within a 4.25-year period.
- 3.6 Members of the Committee are asked to consider this application and, if approved, refer the decision to Council for ratification of use of the Fund.
- 3.7 As members will recall, the approved Council budget motion included in-principle decisions for other spend to save projects. The associated business cases are currently being developed, and it is anticipated that these will be brought to the June meeting of this Committee.

4. Measures of success

- 4.1 Tennis provision at CLTC is enhanced.
- 4.2 External funding towards costs is secured.

5. Financial impact

- 5.1 £285,259 of funding will be drawn down from the Spend to Save fund, subject to approval, with monies being repaid over 4.25 years. The change will be reflected within Edinburgh Leisure's service payment arrangements with the Council.

6. Risk, policy, compliance and governance impact

- 6.1 The Spend to Save business case has been reviewed by Council officers. Income figures in the business case have not been increased for inflation, thus providing an element of risk mitigation.
- 6.2 There is a risk that if nothing is done, the existing outdoor courts will continue to operate at a significant deficit and will ultimately become unplayable.
- 6.3 Any risk on non-achievement of income lies with EL, as it will underwrite the repayment of spend to save funding.

7. Equalities impact

- 7.1 While there is no direct additional impact of the report's contents, continuing investment in the city's sporting infrastructure contributes positively to the promotion of active and healthy lifestyles.

8. Sustainability impact

- 8.1 While there is no direct additional impact of the report's contents, the planned project includes expenditure impacting upon carbon, through the use of floodlighting. The new all-weather courts will have reduced maintenance requirements, as well as increasing utilisation of a currently underused asset.

9. Consultation and engagement

- 9.1 The project team, established in 2014, included representatives from Tennis Scotland, the Lawn Tennis Association, Sportscotland, the Council and Edinburgh Leisure.

10. Background reading/external references

- 10.1 None.

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Property Condition Project – Delivery Programme

Item number	7.9
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	

Executive Summary

Condition reports on the Council's operational portfolio have identified significant backlog maintenance challenges. In response, the Council has released additional investment (capital and revenue) for 2018/19 to assist in addressing the issue.

The purpose of this report is to provide detail on how the service area will address the significantly increased delivery programme of asset management works (capital) and planned preventive maintenance (revenue) for financial year 2018/19 and beyond.

Property Condition Project – Delivery Programme

1. Recommendations

- 1.1 That Committee -
 - 1.1.1 Notes the content of this report;
 - 1.1.2 Approves that all future capital investment reports before any committee of the Council, that have revenue implications and dependencies, are referred to the Finance and Resources Committee for approval; and
 - 1.1.3 Approves the appointment of Arcadis LLP as technical adviser for the procurement of Hard FM Services and delegates authority to the Executive Director of Resources to approve extension and variations in line with Standing Orders.

2. Background

- 2.1 Briefings on the outcome of the condition surveys on Council operational property were delivered to all political groups in November/December 2017. On 14 December 2017, Council approved an Amendment by the Green Group that stated “Notes that an opportunity to discuss the results of the survey of all Council buildings has been made available to all political groups within the Council; and that a report is scheduled to go to January Finance and Resources Committee to inform the budget process; requests that this report includes overall capital investment needs and ongoing maintenance needs in public buildings, including the school estate; requests that a further report is prepared for Finance and Resources Committee after the budget is set on the practical implications of delivering on capital investment and appropriate maintenance regime.”
- 2.2 On 23 January 2018, the Finance and Resources Committee considered the formal report that identified significant backlog maintenance challenges over the next five-year period and profiled the additional capital and revenue spend as follows.

Required Capital Spend (£ms) Determined by Condition Surveys

Year 1	Year 2	Year 3	Year 4	Year 5
2018/19	2019/20	2020/21	2021/22	2022/23
36.6	28.7	15.5	19.0	19.1

Reprofiled Capital Spend (£ms) to Facilitate Mobilisation

2018/19	2019/20	2020/21	2021/22	2022/23
18.00	30.00	30.00	20.45	20.45

Required Revenue Spend (£ms) Determined by Condition Surveys

2018/19	2019/20	2020/21	2021/22	2022/23
8.1	7.5	5.0	7.0	7.0

- 2.3 Committee approved an addendum by the Green Group that stated “Following the Council budget being set on 22 February 2018 requests a report to the Finance and Resources Committee immediately following Full Council on mobilising a programme of backlog investment and planned maintenance, detailing:
- Priority area for capital investment;
 - Priority areas for planned maintenance;
 - Remaining shortfalls and implications for the long term financial plan: and
 - Steps to address longer term planning for maintenance beyond the five-year time horizon.”
- 2.4 The purpose for this report is to advise Committee of the action plan being implemented to deliver the increased capital and revenue investment, highlight the risks/dependencies involved and address the Amendment and Addendum detailed above.

3. Main report

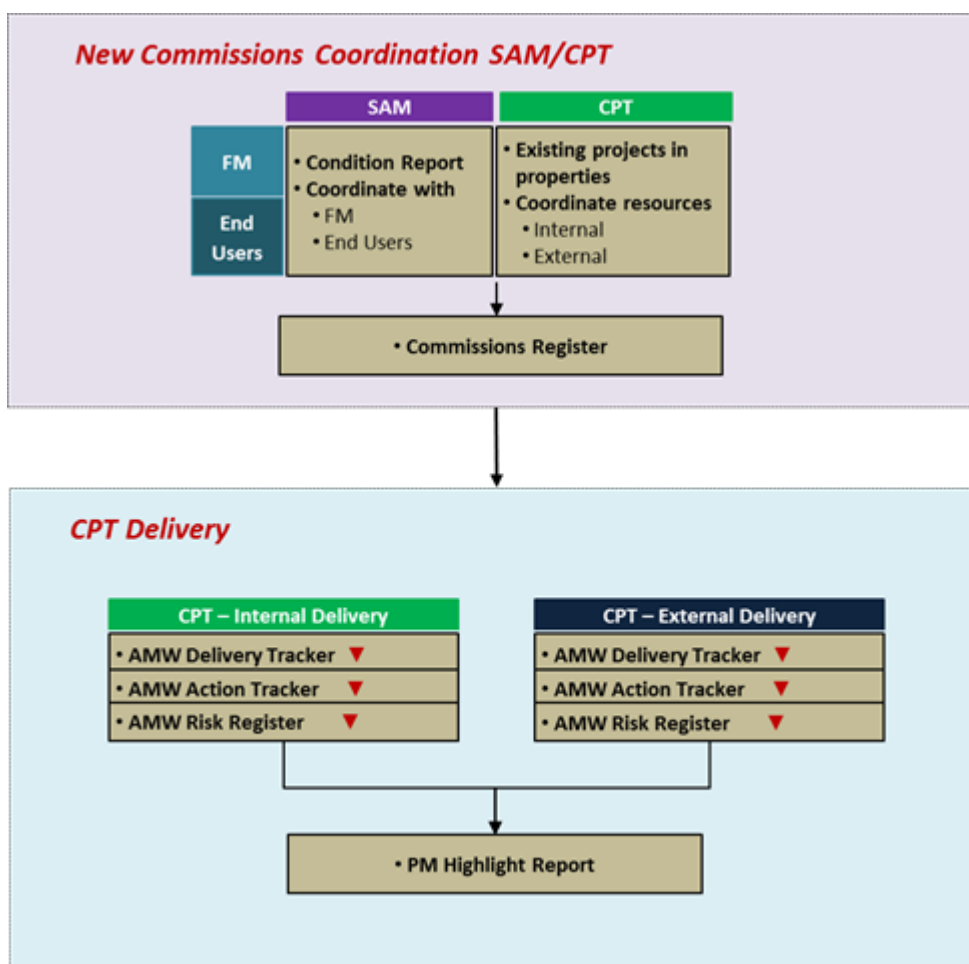
- 3.1 The overarching strategic aim is to ensure all Council owned buildings are rated Condition A or B at the end of a five-year programme. The first year allows for a mobilisation period reflected in the level of expected capital spend, which increases significantly in years two and three. It is important to set out current regimes for both capital/asset management works (AMW) and revenue maintenance spend; and the inter-relationship between the teams involved, Capital Programme Team (CPT), Strategic Asset Management (SAM) and Hard FM/Compliance (FM); and the changes required to deliver on the programme.

Practical implications of delivering on capital investment and appropriate maintenance regime

- 3.2 The delivery of a programme of £30m (capital) and an additional £8.5m revenue per annum across the city is a significant task. At its peak, this could be up to 600 contracts at any one time depending on the ability to bundle works. The scale and

complexity is significantly higher than, for example, the delivery of a £35m High School, which would be a single contract with a dedicated team, no building occupier issues and delivered over a period of years.

- 3.3 The processes and procedures for the governance, planning, commissioning, and delivery capital spend are already established via the Asset Management Project Board. This also includes the interaction with reactive revenue spend and the small element of revenue based planned preventive maintenance completed in 2017/18. The governance structure is set out on Appendix 1. The Board meets on a weekly basis to discuss and agree commissions, coordination and delivery as detail below.



- 3.4 The main outputs from the group are:-

- **Commissions Register** - This acts as the central control for all commissioned projects and is a 'live' document that changes daily. An extract example attached as Appendix 2. (Note the electronic Register is linked to significantly more management information available than is displayed in the example).
- **Process Map** - for each individual project setting out clearly the detailed process including risk, H&S, compliance and governance with a roles and responsibility matrix for each stage of that process (Appendix 3).

- **Highlight Report** - The information above is disseminated to each individual project manager who then assumes responsibility for the delivery and action tracker and risk register for those projects they are responsible for. The detailed information is then summarised for senior management in the form of a PM Highlight Report.

3.5 In terms of delivery arrangements, the implications can be summarised as follows:-

AMW - the proposals will require the appointment of a dedicated senior manager within CPT to take up a new temporary roll of AMW Delivery Team Manager, who will be responsible for driving the programme forward. All costs are absorbed within the capital projects and the existing and revised arrangements and assumptions are detailed in Appendix 4.

PPM – the revised arrangements and assumptions for delivering the additional PPM are shown in Appendix 5. This is an area of new work that will require new internal staff resource to ensure delivery.

Priority Area for Investment

3.6 The Council currently reviews identified spend requirements against the priority ratings in Table 1 below when deciding upon the nature and urgency of the works required. These ratings are generally based on the type of work required and indicative timescales.

Table 1: Priority Ratings

Priority Rating	Description
1	Must Do (immediate) - To address essential H&S/ comply with law/ avoid service disruption
2	Should Do (within years 1 and 2) - To achieve/ maintain basic standards
3	Would Do (within years 3 to 5) - Desirable works If affordable

3.7 The condition and priority information subsequently feeds into an overarching prioritisation matrix that helps to inform strategic asset management decisions. This matrix is provided in Table 2 below.

Table 2: Work Priority Matrix

Priority of Buildings	Priority of Works		
	P1 (Immediate) Must Do	P2 (Yrs 1-2) Should Do	P3 (Yrs 3-5) Would Do
BP1			
BP2			
BP3			
BP4			
BP5			

BP6			
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- 3.8 The prioritisation of the buildings takes into account the current status of the subject buildings, including the anticipated occupancy levels and whether the buildings are expected to be retained, replaced or disposed of. The current priority ratings applied in this respect are shown in Table 3 below.

Table 3: Building Priority

Priority of Buildings	
BP1	Operational buildings expected to be fully occupied in the long term
BP2	Operational buildings expected to be fully occupied in the medium term
BP3	Operational buildings currently under review
BP4	Operational structures (other than buildings) expected to be retained in the long-term
BP5	Operational structures (other than buildings) not expected to be retained in the long-term
BP6	Other property assets

- 3.9 Effectively, everything classified 'as must do' will be prioritised, i.e., this must be done irrespective of the building status. The next priority for capital works will be prioritised on those school establishments classified as BP1 and/or BP2 in table 3 above and are Condition C and B (in that order). These are principally primary schools and, to date, £13.03m of new works has already been commissioned at:-

- Blackhall PS;
- Broughton PS and Nursery;
- Craiglockhart PS and Nursery;
- Duddingston PS and nursery;
- East Craigs PS and Nursery;
- Echline PS and Nursery;
- Fox Covert PS and Nursery;
- James Gillespie's PS and Nursery;
- Lorne PS and Nursery;
- Queensferry PS and Nursery;
- Sciennes PS;
- St Catherine's PS and Nursery;
- St Mary's (Leith) PS and Nursery; and

- Trinity PS.

Priority Areas for Planned Maintenance

3.10 The existing Repairs and Maintenance (R&M) budget will be utilised as per previous years, i.e., statutory compliance and reactive repairs (via the helpdesk). The additional budget in 2018/19 will focus on potential future H&S issues, preventative maintenance and sustainability matters such as:-

- Increased activity from inspections and close liaison with CPT projects;
- Ceiling inspections across the operational estate including making safe and good or managing until larger scale refurbishments are on site;
- High Level inspections including masonry and rendering defects, make safe/good depending on AMW programme;
- Boundary walls and fencing condition surveys, risk profiling and programme of works;
- Wave 4 schools – condition management works;
- Hard landscaping (suitability of paths, handrails) etc;
- Defined individual safety projects;
- Gutter & Drainage PPM;
- Decoration & Flooring PPM;
- Windows PPM programme;
- M&E PPM (directed by Condition, Compliance and Energy Inspections);
- Fire doors inspections and maintenance PPM (door hanging, finishes, ironmongery, intumescent/smoke strips etc); and
- Lighting upgrade programme.

3.11 In terms of the Condition C properties, it is proposed that the works required to the Wave 4 high schools (Castlebrae, Currie, Queensferry, Trinity and WHEC) will, in the main, be funded from the revenue budget until a decision is made on their long-term future. This will be the same for St Crispins Special School as it is due to be replaced as part of the capital investment programme.

Remaining shortfalls and implications for the long term financial plan

3.12 Remaining shortfalls (revenue and capital) are identified in paragraph 2.2 and have now been forecast into the Council's medium term financial planning. In the longer-term, if the forecast for new requirements via Rising School Rolls, Early Years, LDP requirements, Wave 4 schools etc are accurate and there are no closures of existing operational property, the current model is not financially sustainable. This is because the future revenue requirements to maintain and service the new build will absorb any budget savings assumed from existing property budgets, which will result in the requirement additional corporate funding.

Steps to address longer term planning for maintenance beyond the five-year time horizon

3.13 With immediate effect, it is proposed that service areas will be required to ensure that all future new build projects are supported by business cases which address the revenue implications of the full lifecycle cost of the proposed asset and that business case must be referred to and approved by the Finance and Resources Committee before proceeding. Specifically, revenue implications/life cycle costs

should cover future repairs and cyclical maintenance, energy costs, non- domestic rates and facility management costs. This would now be required for Rising Roles Phase 6 and the proposed new Queensferry High School.

Future Delivery of Hard FM Services

- 3.14 The current contract for the delivery of Hard FM Services expires in December 2018. Property and Facilities Management have been working with Commercial and Procurement Services to develop a strategy for future delivery. Given the value of the contract and to support the strategy and procurement process, a mini competition was undertaken on the Crown Commercial Services framework for FM Procurement Services to procure a Technical and Procurement partner. The scope of the contract is to participate in market consultation, project management of the procurement process, preparation of the tender package and to support the Council through the mobilisation of the new contract.
- 3.15 Five organisations were invited to participate in the mini competition process with four bids being returned on the 2 March 2018. The four bids were evaluated based on 70% quality and 30% price. The quality cost ratio was agreed as it was considered that the lower quality the provider, the higher the costs as the tasks will take more hours to complete and more paid for hours will be required to build up knowledge of the Council requirements.
- 3.16 Following the evaluation, it is recommended that the contract award is to Arcadis LLP for £110,413. This is based on a defined scope of tasks which have been priced on a blended day rate for the bidders and a notional number of days. It is estimated the contract term will be approximately six months up to the completion of the evaluation of the Hard FM Services Delivery Partner procurement and an option to extend for a further six months to support the Council through the mobilisation period of the contract.
- 3.17 Due to the complexity and difficulty in scoping some of the required tasks and the early stage of the procurement process for the Hard FM Services Delivery Partner, it is proposed that Committee provide Delegated Authority to the Executive Director of Resources for contract extensions and variations. Any extension or variation will be undertaken in line with the Contract Standing Orders and will be charged at the day rates within the overarching Framework.
- 3.18 The scores achieved within the mini competition are detailed below:

Organisation	Quality Score	Price Score	Total Score
Arcadis LLP	49.00	25.79	74.79
Bidder 2	42.00	30.00	72.00
Bidder 3	35.00	27.90	62.90

Bidder 4	21.00	0.00 (did not pass quality threshold of 50%)	21.00
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- 3.19 As Arcadis LLP scored the highest in the mini competition process, it is recommended that they are appointed. Further information on the procurement process is contained within Appendix 6.

4. Measures of success

- 4.1 Increased capital and revenue spend across the operational estate will mitigate against potential H&S and compliance risks.
- 4.2 Improvement on the overall condition of the estate with the strategic aim of the estate being in Condition A or B over the five-year programme.

5. Financial impact

- 5.1 The required level of funding for backlog maintenance has been approved for 2018/19 and forecast for the remaining four years of the programme.
- 5.2 The main direct financial implications relate to the additional temporary staff costs to deliver both the increased capital and revenue spend.
- 5.3 The capital implications relate to the additional senior manager post responsible for driving the project forward. This cost however will be absorbed within the capital costs and will not have a revenue impact.
- 5.4 The staff budget for the PPM delivery has been set at 12.5% of the additional funding made available.
- 5.5 The budget for the Technical and Commercial Partner is available within the existing Repairs and Maintenance budget. The costs for the procurement process for this are estimated at under £10,000.

6. Risk, policy, compliance and governance impact

- 6.1 There are significant health and safety and service delivery failure implications of not addressing the backlog maintenance, and of having no annual planned preventive maintenance programme. The additional capital and revenue investment will seek to mitigate this risk.
- 6.2 There is an expectation by the Scottish Government that all school buildings are brought up to condition A or B. This will be the five-year strategic target of the programme.

- 6.3 Prior to commencing works it is essential that stakeholders acknowledge that the delivery of works on the scale proposed across the estate will impact on day to day operations. There is therefore a requirement to clarify the need for increased tolerance of works, particularly on the school estate outside holiday periods. An integral part of the programme will be communication and engagement with establishments and this will require a full-time resource.
- 6.4 The programme will also seek to establish a suitable structure and process for addressing enquiries and/or complaints. This will prevent the diversion of resources.
- 6.5 Establishments need to be engaged early in the commissioning process. For example, vacant possession of a building maybe required for the entire summer period yet it is likely there will be activity planned over the holiday period.
- 6.6 There may be a need for a complete decant in some circumstances. This has not been identified yet but should be classified as a risk.
- 6.7 Contractor resource could be a potential pinch point particularly during the summer months when both Edinburgh and Glasgow trade holidays occur. All current framework supply chains are currently being consulted with and Procurement Services are assisting with tapping into other national frameworks that will spread the delivery risk.

7. Equalities impact

- 7.1 The potential failure of the Council's operational estate, such as schools or care homes, would impact on some of the city's most vulnerable groups. A planned programme of investment will help mitigate that risk.

8. Sustainability impact

- 8.1 The current programme of building upgrades makes provision to increase the Council's energy efficiency through, for example, increased insulation when roof upgrades are undertaken, replacing windows with double glazing units, and installing more efficient heating systems. Additional funding to eliminate the backlog maintenance will allow greater roll out of these sustainable measures.

9. Consultation and engagement

- 9.1 Briefings have been provided on this wider issue to each political group.

10. Background reading/external references

10.1 None.

Stephen S. Moir

Executive Director of Resources

Peter Watton, Head of Property and Facilities Management

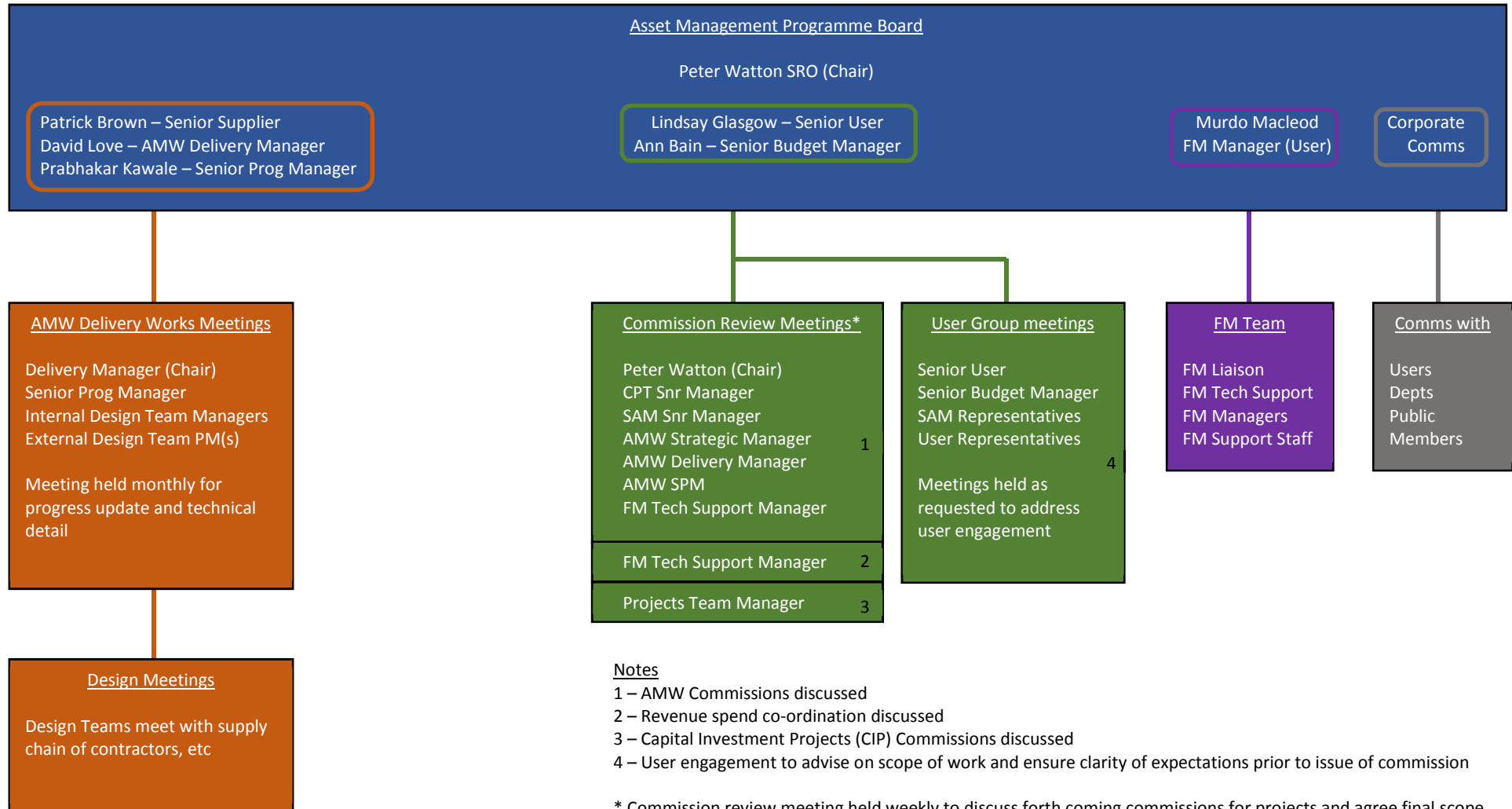
E-mail: peter.watton@edinburgh.gov.uk | Tel: 0131 529 5962

11. Appendices

1. Asset Management Strategy Board – Structure
2. Example – Commissions Register
3. Process Map – Roles and Responsibilities Matrix
4. Capital Programme Team – Revised Structure
5. Repairs and Maintenance Team – Revised Structure
6. Summary of Tendering and Tender Evaluation Process

Appendix 1

Asset Management Programme Governance Diagram



AMW Commissions - SAM / CPT Coordination

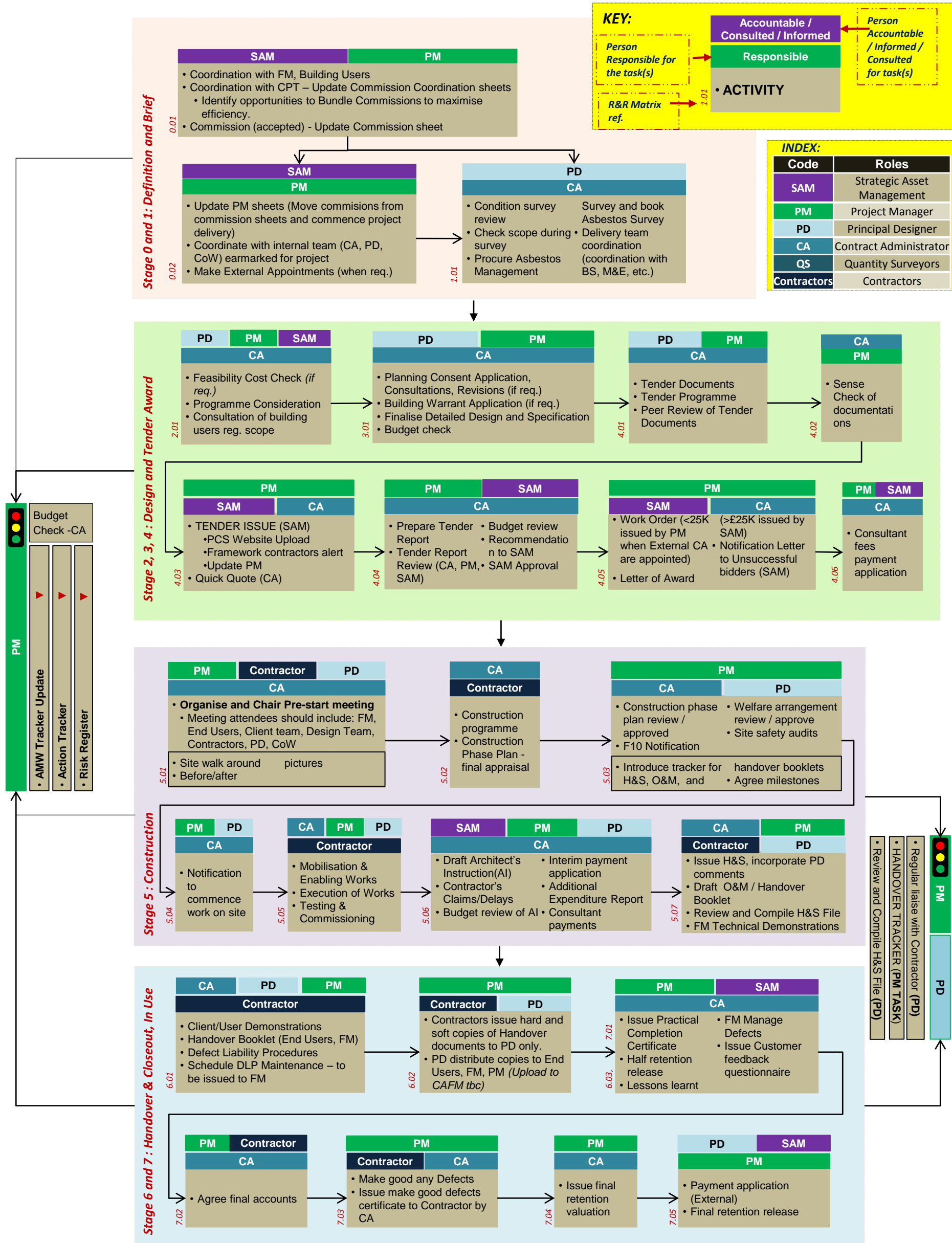
Working Document
23-Feb-18

Comm. Value Breakdown	Bundled	Comm. Value	Unbundled	CPT Teams Delivering			
Σ Commissions Issued	42 Comm.	£ 19,853,000	169 No. UB	CEC - BS	£ 5,661,500	Ext. - BS	£ -
Σ Comm. Pipeline (Unbundled) (Est.)		£ 494,500	4 No. UB	CEC - M&E	£ 3,503,000	Ext. - M&E	£ 2,670,000
Σ Comm. Pipeline (Bundled) (Est.)		£ 913,000	9 No. UB	Σ CEC Sum	£ 9,164,500	Ext. - M-D	£ 8,846,000
Σ Sum of Above		£ 21,260,500	182 Nos.	Delivery Pending	-£ 827,500	Σ Ext. Sum	£ 11,516,000

Auto Inputs (SUM)	Drop-down menus
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Last Commission on 16-Feb-18

Total-Σ	42	38					Total-Σ	£ 21,084,500	£ 19,853,000	182	0	158	56	0	0	61	160			
Sheet Ref.	Comm. Reissue Ref	Property	Work Type	Proposed Project work				Comm. Bundles	Project Estimate	Commission Budget	SAM Priority	17 / 18	18 / 19	19 / 20	20 / 21	21 / 22	Comm. Drafts	Comm. Issued	CPT Delivery	
1.00	18.018	Balgreen PS	Roof & Rainwater	Overhaul and upgrade as necessary slated roof in conjunction with window replacement				1	£15,000	£ 1,470,000	M		Y					16-Feb-18	Ext. - M-D	
1.01	18.018	Balgreen PS	Doors & Windows (external)	Replace remainder of original windows to main building				1	£350,000		M		Y					16-Feb-18	Ext. - M-D	
1.02	18.018	Balgreen PS	Doors & Windows (external)	Replace/upgrade defective timber framed window units				1	£70,000		M		Y					16-Feb-18	Ext. - M-D	
1.03	18.018	Balgreen PS	M&E	Replace boilers, controls and radiators. Survey and replace as necessary hot and cold supply pipes				1	£550,000		M		Y					16-Feb-18	Ext. - M-D	
1.04	18.018	Balgreen PS	M&E	Replace radiators. Survey and replace as necessary hot and cold supply pipework				1	£45,000		M		Y					16-Feb-18	Ext. - M-D	
1.05	18.018	Balgreen PS	M&E	Lighting, distribution board, fire alarm and intruder alarm upgrade				1	£350,000		M		Y	Y				16-Feb-18	Ext. - M-D	
1.06	18.018	Balgreen PS	M&E	Lighting upgrade				1	£45,000		M		Y					16-Feb-18	Ext. - M-D	
1.07	18.018	Balgreen PS	Internal Fabric	Decorate walls, ceiling, skirtings, doors, replace floor coverings where disrupted. (15% @ £75)				1	£32,000		M		Y					16-Feb-18	Ext. - M-D	
1.08	18.018	Balgreen PS	External Fabric Enhancement	Upgrade poining to external boundary wall				1	£8,000		M		Y					16-Feb-18	Ext. - M-D	
2.00	17.047	Bonnington Centre	Fire Safety	Fire Alarm upgrade				1	£35,000	£ 35,000	H		Y				12-Dec-17	15-Dec-17	Ext. - M-D	
3.00	17.016	Broughton Primary School	M&E	Small power and lighting				2	£202,000	£ 476,000	M		Y	Y				16-Feb-18	CEC - M&E	
3.01	17.016	Broughton Primary School	Fire Safety	Fire alarm upgrade				2	£85,000		H		Y	Y			16-Nov-17	16-Nov-17	CEC - M&E	
3.02	17.016	Broughton Primary School	M&E	Small power and lighting				2	£124,000		M		Y	Y				16-Feb-18	CEC - M&E	
3.03	17.016	Broughton Primary School	Water Quality Pools	Break our reform/replace and upgrade drainage to pool edge 40m and Upgrade pool extract £13K				2	£13,000		M		Y	Y				02-Feb-18	CEC - M&E	
3.04	17.016	Broughton Primary School	Internal Fabric	Repair isolated areas of cracked plaster to walls see survey IW00014250/00014266/00014328 £10K				2	£10,000		M		Y	Y				02-Feb-18	CEC - M&E	
3.05	17.016	Broughton Primary School	Internal Fabric	Redecorate walls, ceiling, skirtings, doors and replace floor coverings throughout in areas where work has disrupted existing finish. (15% @ £75) £42K				2	£42,000		M		Y	Y				02-Feb-18	CEC - M&E	
3.06	17.017	Broughton Primary School	Doors & Windows (external)	Window Upgrade, Repair/upgrade central rooflight/External walls				1	£205,000	£ 360,000	H		Y	Y			16-Nov-17	16-Nov-17	CEC - BS	
3.07	17.017	Broughton Primary School	External Fabric Enhancement	Repair and repoint boundary wall and associated fencing and gates IW0004374/0004375 £30K				1	£30,000		M		Y	Y				02-Feb-18	CEC - BS	
3.08	17.017	Broughton Primary School	Roads and Pavements	Repair and resurface as necessary tarmac and concrete flag stones see Condition report IW00014360/00014377/00014379/00014411 £33K				1	£33,000		M		Y	Y				02-Feb-18	CEC - BS	
4.00	17.022	Brunstane Primary School and Nursery	External Fabric Enhancement	Repair/upgrade conrete sills and lintols				1	£70,000	£ 70,000	H		Y				12-Nov-17	20-Nov-17	CEC - BS	
5.00	17.033	Buckstone PS	Water Quality	Water Supply Separation				1	£60,000	£ 60,000	M		Y				30-Nov-17	30-Nov-17	CEC - M&E	
6.00	TBC	Carrickvale Community Centre	Fire Safety	Fire resistance upgrade to office in protected zone.					£7,500		H		Y						CEC - BS	
7.00	TBC	Castlebrae High School	M&E	Upgrade radiators, heaters and fans to Gym hall					£83,000		H		Y						Ext. - M-D	
8.00	18.020	Clermiston PS	Roof & Rainwater	Renew and upgrade all roofs, repair upgrade spalling soffits				1	£660,000	£ 1,315,000	M		Y	Y				16-Feb-18	Ext. - M-D	
8.01	18.020	Clermiston PS	Internal Fabric	Renew upgrade all damaged areas of ceiling				1	£20,000		M		Y					16-Feb-18	Ext. - M-D	
8.02	18.020	Clermiston PS	Doors & Windows (external)	Remove and upgrade defective render repair/upgrade defective timber to windows				1	£15,000		M		Y					16-Feb-18	Ext. - M-D	
8.03	18.020	Clermiston PS	Internal Fabric	Identify rectify fault and Repair/upgrade plaser to walls where damp/damaged				1	£12,000		M		Y					16-Feb-18	Ext. - M-D	
8.04	18.020	Clermiston PS	M&E	Replace boilers and controls, radiators as necessary throughout and LST rads in gym hall. Upgrade old fans				1	£500,000		M		Y					16-Feb-18	Ext. - M-D	
8.05	18.020	Clermiston PS	M&E	Electrics asesed by AB no work required				1	£0		M		Y					16-Feb-18	Ext. - M-D	
8.06	18.020	Clermiston PS	Internal Fabric	Decorate walls, ceiling, skirtings, doors, replace floor coverings where disrupted. (20% @ £75)				1	£40,000		M		Y					16-Feb-18	Ext. - M-D	
8.07	18.020	Clermiston PS	External Fabric Enhancement	External repairs/upgrade to tarmac, railings and handrails				1	£15,000		M		Y					16-Feb-18	Ext. - M-D	
9.00	17.013	Clovestone Gardens HOP	M&E	Boiler and Heating upgrade				1	£115,000	£ 115,000	H		Y				12-Nov-17	16-Nov-17	CEC - M&E	
10.00	17.008	Corstorphine Primary School	M&E	Upgrade radiators, heaters and fans to Gym hall				1	£90,000	£ 90,000	H		Y				14-Nov-17	14-Nov-17	CEC - M&E	
11.00	18.008	Craiglockhart PS	Doors & Windows (external)	Window Upgrade (Front and Side Elevations)				1	£146,000	£ 626,000	H		Y				29-Nov-17	16-Feb-18	Ext. - M-D	
11.01	18.008	Craiglockhart PS	M&E	Boilers, Radiators and water services pipework				1	£340,000		M		Y				19-Jan-18	16-Feb-18	Ext. - M-D	
11.02	18.008	Craiglockhart PS	M&E	Small power and lighting				1	£100,000		M		Y				18-Dec-17	16-Feb-18	Ext. - M-D	
11.03	18.008	Craiglockhart PS	Roads and Pavements	Renew concrete hardstanding where crazed in area of shelter (15m2) and patch repair tarmac mostly in West gable and rear elevation due to tree root movement (120m2) £8K				1	£8,000		M		Y					16-Feb-18	Ext. - M-D	
11.04	18.008	Craiglockhart PS	Internal Fabric	Redecorate walls, ceiling, skirtings, doors and replace floor coverings throughout in areas where work has disrupted existing finish. (10% @ £75) £25K				1	£25,000	£ 900,000	M		Y					16-Feb-18	Ext. - M-D	
12.00	17.041	Davidsons Mains Primary School	External Fabric Enhancement	Replace Rooflights				1	£17,000		£ 17,000	H		Y				12-Dec-17	15-Dec-17	Ext. - M-D
13.00	17.014	Duddingston PS	Doors & Windows (external)	Window upgrade/Replacement				1	£470,000		H		Y	Y			16-Nov-17	16-Nov-17	CEC - BS	
13.01	17.014	Duddingston PS	M&E	Boiler/Heating hot wateRadiators/Hot/Cold pipework				1	£285,000		L		Y	Y			16-Nov-17	16-Nov-17	Ext. - M&E	
13.02	17.014	Duddingston PS	M&E	Renew lighting including E/L				1	£60,000		M			Y				02-Feb-18	Ext. - M&E	
13.03	17.014	Duddingston PS	Internal Fabric	Redecorate walls, ceiling, skirtings, doors and replace floor coverings throughout in areas where work has disrupted existing finish. (25% @ £75) £52K				1	£52,000		M			Y				02-Feb-18	Ext. - M&E	



CPT Process - AMW Programme Delivery

Roles & Responsibilities Matrix

R:	Does the task
A:	Accountable for the task
C:	Consulted with before the task
I:	Informed when the task is completed

Final (R4)	26-Jan-18
R3	13-Sep-17

Ref.No	Stage	Tasks	SAM	PM	CA	PD	Contract or
0.01	Stage-0_Definition	<ul style="list-style-type: none"> • Coordination with FM • Coordination with Building Users (or responsible persons) • Coordination with CPT <ul style="list-style-type: none"> - Identify opportunities to Bundle Commissions to maximise efficiency. - Scope, programme and budget checks - <u>Update SAM/CPT Coordination sheet</u> • Commission (accepted) <ul style="list-style-type: none"> - <u>Update Commission sheet</u> (Line items bundled from coordination sheets) • Provide Condition Surveys relevant to each commission 	R	I/C			
0.02	Stage-0_Definition	<ul style="list-style-type: none"> • <u>Update PM sheets</u> (Move commissions from commission sheets and commence project delivery) • Coordinate with internal team (CA, PD, CoW) earmarked for project • Make External Appointments (when req.) <ul style="list-style-type: none"> - Delivery Team Lead - Principal Designer - Contract Admin - Delivery Support - CoW 	A	R			
1.01	Stage-1_Brief	<ul style="list-style-type: none"> • Condition survey review • Check scope during survey 	I	I	R	C	
1.01.1	Stage-1_Brief	<ul style="list-style-type: none"> • Procure Asbestos Management Survey and book Asbestos Survey • Delivery team coordination (coordination with BS, M&E, etc.) 		I	R	C	
2.01	Stage-2_Concept Design	<ul style="list-style-type: none"> • Feasibility Cost Check (if req.) • Programme Consideration • Consultation of building users req. scope 		I	R	C	
3.01	Stage-3_Developed Design	<ul style="list-style-type: none"> • Planning Consent Application, Consultations, Revisions (if req.) • Building Warrant Application (if req.) • Finalise Detailed Design and Specification • Budget check 		I	R	C	
4.01	Stage-4_Technical Design	<ul style="list-style-type: none"> • Tender Documents • Tender Programme • Peer Review of Tender Documents 		I	R	C	
4.02	Stage-4_Technical Design	Sense Check of tender documentations (External)		R	C		
4.03	Stage-4_Technical Design	<ul style="list-style-type: none"> • TENDER ISSUE (SAM) <ul style="list-style-type: none"> - PCS Website Upload - Framework contractors alert - Update PM 	R	I			
4.03.1	Stage-4_Technical Design	<ul style="list-style-type: none"> • Quick Quote (if req.) (<£25K direct appointment by CA, £25K-£50K quick quote via SAM) 		I	R		
4.04	Stage-4_Technical Design	<ul style="list-style-type: none"> • Prepare Tender Report <ul style="list-style-type: none"> - Tender Report Review (CA, PM, SAM) - Peer Review of Tender Documents • Budget review • Recommendation to SAM 	I	I/C	R		
4.04.1	Stage-4_Technical Design	<ul style="list-style-type: none"> • SAM Approval 	R	I	I	I	
4.05	Stage-4_Technical Design	<ul style="list-style-type: none"> • Work Order (<25K issued by PM when External CA are appointed) 	I	I	R		
4.05.1	Stage-4_Technical Design	<ul style="list-style-type: none"> • Letter of Award (>£25K issued by SAM) 	R	I	I		

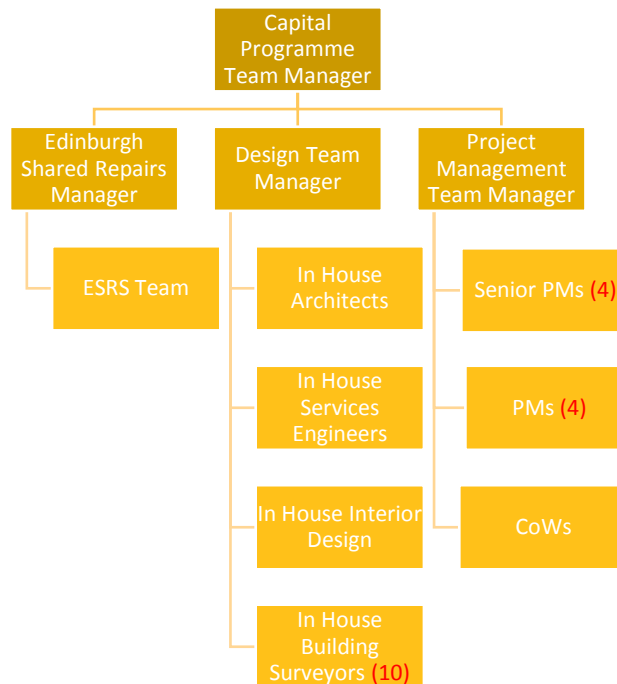
Ref.No	Stage	Tasks	SAM	PM	CA	PD	Contract or
4.05.2	Stage-4_Technical Design	<ul style="list-style-type: none"> Notification Letter to Unsuccessful bidders (SAM) 	R				
4.06	Stage-4_Technical Design	<ul style="list-style-type: none"> Consultant fees payment application (by PM when External CA appointed) 	I	A/I/R	R	I	
5.01	Stage-5_Construction	<ul style="list-style-type: none"> Organise and Chair Pre-start meeting Meeting attendees should include: FM, End Users, Client team, Design Team, Contractors, PD, CoW 	I	C	R	I	C
5.01.1	Stage-5_Construction	<ul style="list-style-type: none"> Site walk around Before/after pictures (CoW) 	I	C	R	I	I
5.02	Stage-5_Construction	<ul style="list-style-type: none"> Construction programme Construction Phase Plan - final appraisal 		I	A		R
5.03	Stage-5_Construction	<ul style="list-style-type: none"> Construction phase plan reviewed / approved F10 Notification to H&S Executive (if req.) Welfare arrangement reviewed / approved Site safety audits 	I/A	I	R/C	R/C	
5.03.1	Stage-5_Construction	<ul style="list-style-type: none"> Introduce tracker for H&S file, O&M file, Testing & Commissioning and Handover booklet 		R		C/I	
5.03.2	Stage-5_Construction	<ul style="list-style-type: none"> Agree milestone targets with contractors 		I	R/A	I	
5.04	Stage-5_Construction	<ul style="list-style-type: none"> Notification to commence work on site 		I	R	I	
5.05	Stage-5_Construction	<ul style="list-style-type: none"> Mobilisation & Enabling Works Execution of Works Testing & Commissioning 		I	I/C	I	R
5.06	Stage-5_Construction	<ul style="list-style-type: none"> Draft Architect's Instruction (AI) (if req.) Contractor's Claims/Delays Budget review of AI (QS/CA) Interim payment application (by PM when External CA appointed) Consultant fees payment application (by PM when External CA appointed) Additional Expenditure Report (if req.) 	I	A/I/R	R	I	C
5.07	Stage-5_Construction	<ul style="list-style-type: none"> Issue all H&S info to PD Draft O&M / Handover Booklet Incorporate comments from PD 		I	C	A	R
5.07.1	Stage-5_Construction	<ul style="list-style-type: none"> Review and Compile H&S File 		I	C	R/A	C
5.07.2	Stage-5_Construction	<ul style="list-style-type: none"> FM Technical Demonstrations 		I	A	I	R
6.01	Stage-6_Handover & Close-out	<ul style="list-style-type: none"> Client/User Demonstrations 		C	A	I	R
6.01.1	Stage-6_Handover & Close-out	<ul style="list-style-type: none"> Defect Liability Procedures Schedule DLP Maintenance - To be issued to FM 		I	A	I	R
6.02	Stage-6_Handover & Close-out	<ul style="list-style-type: none"> Contractors issue finalised hard and soft copies of Handover documents (H&S file, O&M file, Testing & Commissioning and Handover booklet) to PD only. 		I	I	A	R
6.02.1	Stage-6_Handover & Close-out	<ul style="list-style-type: none"> PD distribute copies (<i>Upload to CAFM tbc</i>) - 1 hard copy + disk to property - 1 disk for SAM Capital Works Manager - 1 disk for Head of Soft FM - 1 disk for Lead for Technical Support FM - 1 disk for CPT 	I	I	I	R/A	
6.03	Stage-6_Handover & Close-out	<ul style="list-style-type: none"> Issue Practical Completion Certificate Release half retention 	I	I	R/A	C	I
7.01	Stage-7_In Use	<ul style="list-style-type: none"> Lessons learnt (if req.) (PM/CA) 	I	R	C	I	I

Ref.No	Stage	Tasks	SAM	PM	CA	PD	Contract or
7.01.1	Stage-7_In Use	• FM Manage Defects		I	A		R
7.01.2	Stage-7_In Use	• Issue Customer Feedback Questionnaire	A	R			
7.02	Stage-7_In Use	• Agree final accounts	I	I	R		C
7.03	Stage-7_In Use	• Make good any Defects • Issue make good defects certificate to Contractor by CA (at end of DLP)		I	A	I	R
7.04	Stage-7_In Use	• Issue final retention valuation	I	I	R	I	
7.05	Stage-7_In Use	• Payment application (External) • Final retention release	I	R		I	

Appendix 4

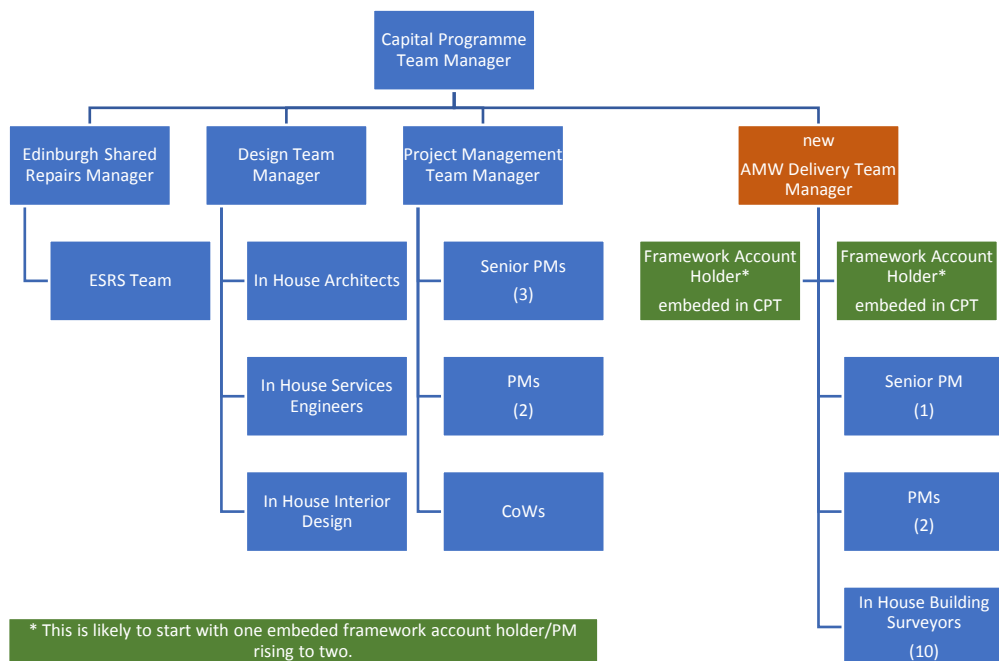
The Asset Management Works (AMW) programme is delivered by the Capital Programme Team (CPT) within Property and Facilities Management. Current arrangements and associated resources to accommodate the planned increase in annual expenditure are inadequate. The current team structure is provided below:

Current CPT structure:



- This team delivers the current AMW programme (pre 2018/19) along with other Capital Projects utilising in-house resources and professional services framework supply chain. The key areas associated with the delivery of the AMW Programme are the Building Surveyors, Services Engineers, Project Managers and one Senior Project Manager supported by the Design Team Manager

Proposed CPT Structure:



- This proposed structure provides for a dedicated temporary team focussed on the AMW programme delivery (for 2018/19 onward). The new team would be drawn largely from existing resources. The Building Surveying resource (which works almost exclusively on the AMW programme) would be transferred to the new AMW Delivery team. The Services Engineering team (which works on both AMW and CIP projects) will remain under the Design Manager and provide support to the AMW Delivery Team as required (matrix management). The Project Management team would be divided as outlined.
- The change will add one manager to the CPT Structure. It is anticipated that this manager would be appointed internally and there will be backfill appointments from across the CPT structure. Depending on the outcome of the process, there could be a need for an external appointment to address backfill at a lower level.
- This proposed AMW Delivery Team will also have access to the current Framework Professional Services supply chain.

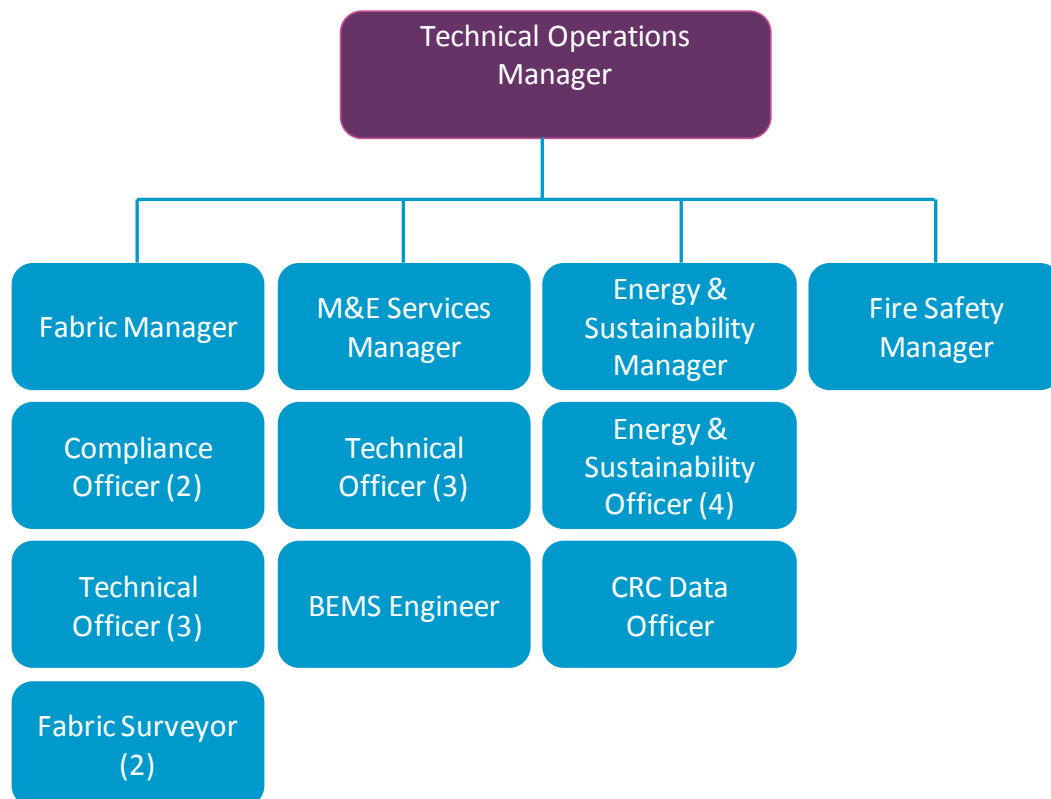
Engagement is taking place with the existing multidisciplinary framework providers to embed them directly in to the delivery of the programme. The aim will be to have their respective account holders located within the AMW Delivery Team ensuring close management of the external multidiscipline providers. To date, there have been positive discussions with the three multidiscipline framework providers and they have been approached to provide revised fees reflecting the nature of the works on the AMW programme and CVs for their proposed Framework Account Holder (programme manager). The utilisation of the multidisciplinary framework will open up a significant resource for the design and management of works.

- The above CPT structure will continue to have both in-house Design and Project Management functions. These functions will be focussed on the delivery of Capital Investment Programme (CIP) related projects utilising in-house and external resources.
- The Edinburgh Shared Repairs Service would not be impacted by the changes

Appendix 5

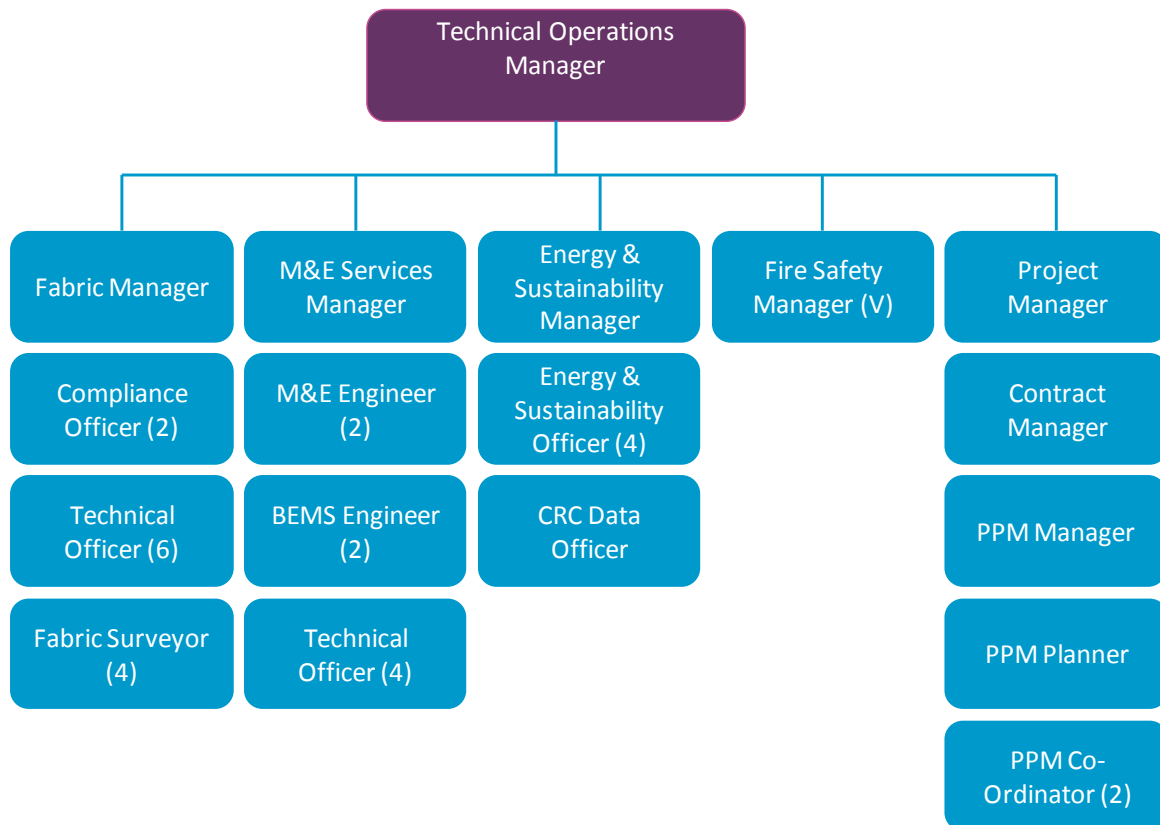
Repair and Maintenance (R&M) services are provided within Property and Facilities Management. Current arrangements and associated resources to accommodate the planned increase in annual expenditure are inadequate. The current team structure is provided below:

Current R&M structure:



- This team delivers the current R&M service (pre- 2018/19), which is based on statutory compliance and inspections, wind and water tight structures and health and safety, along with other small projects and minor works utilising in-house resources and supply chain. The key areas associated with the delivery of the R&M services are the Managers for Fabric, M&E, and Energy & Sustainability. They are supported by Compliance Officers, Technical Officers, Surveyors, BEMS Engineer and Energy & Sustainability Officers.

Proposed R&M Structure:



- This proposed structure provides for a dedicated temporary team focussed on the R&M PPM key objectives programme (for 2018/19 onward). The existing team roles in many cases would be increased with resources from the supply chain frameworks. In addition, a Project Manager, Contract Manager, PPM Manager, and other support roles detailed above would be required.

Engagement is taking place with the existing multidisciplinary framework providers to embed them directly in to the delivery of the programme. The aim will be to have their respective account holders located within the R&M Team ensuring close management of the external multidiscipline providers. Discussions have commenced with multidiscipline framework providers, initially to appoint the overall Project Manager role.

- The above R&M structure will deliver the following key objectives:
 - Resources – Create an interim structure to meet requirements over 12-24-month period, commencing April 2018.
 - Increased project activity from inspections.
 - Accelerated works from Condition Surveys e.g. health & safety critical.
 - PPM - develop and implement based on criticality, condition survey and projects.
 - Statutory Compliance – assurance program.
 - School alignment project – plan that covers C&F equipment requirements.

- Defined projects e.g. Wave 4 Schools.
- Building access for works and associated costs.

Assumptions:

- Procurement
 - Suppliers to support substantial increase in workload
 - Waivers required for existing suppliers from Autumn 2018
 - Successful strategy to deliver the future R&M partner/s post Autumn 2018
- Labour
 - Sourced through existing frameworks
 - Temporary roles aligned to overall R&M key objectives
 - Workspace and required IT equipment will be provided

Appendix 6 - Summary of Tendering and Tender Evaluation Processes

Contract	Contract for the provision of Technical and Commercial Advisory Support for the procurement of a Hard FM Services Delivery Partner	
Contract Period	1 st April 2018 – 30 th March 2019	
Estimated Contract Value (including extensions)	£110,413	
Procurement Route Chosen	Mini Competition	
Tenders Returned	4	
Name of Recommended Supplier(s)	Arcadis LLP	
Price / Quality Split	Price 30	Quality 70
Evaluation Criterion and Weightings	Criteria	Weighting (%)
	Project Delivery Team	40
	Approach	60
Evaluation Team	The evaluation team consisted of officers from Corporate Property.	

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Proposed Lease – Accommodation in Ground Floor West Wing (G1), Waverley Court, Edinburgh

Item number	7.10
Report number	
Executive/routine	
Wards	11 – City Centre
Council Commitments	2, 6

Executive Summary

This report seeks approval to grant a lease of part of Waverley Court office accommodation to Ethical Finance Hub Ltd on terms and conditions opted for by Committee.

Ethical Finance Hub Ltd have requested a concessionary rent to allow their business to become established which is contrary to the Council's policy on concessionary lets. The report sets out a variety of lease options for Committee to consider.

Proposed Lease – Accommodation in Ground Floor West Wing (G1), Waverley Court, Edinburgh

1. Recommendations

1.1 That Committee:-

- 1.1.1 Considers the options set out in this report and directs officers to conclude a lease on the terms selected.

2. Background

- 2.1 Ethical Finance Hub Ltd (EFH) approached the Council in summer 2017 regarding establishing a hub in the city and requested that the Council support their initiative by providing accommodation. EFH are a not-for-profit organisation, focusing on the creation of a fairer, more inclusive, and socially responsible financial system.
- 2.2 EFH took occupation of recently vacated space in G1 Waverley Court on a temporary licence, pending consideration by Committee of terms for a longer-term occupation of the space. The temporary licence runs from 22 December 2017 to 31 March 2018 and month to month thereafter, at a licence fee of £1 per month.
- 2.3 The licence expires on 31 March 2018 and Ethical Finance Hub Ltd has requested the Council grants a further lease on concessionary terms.

3. Main report

- 3.1 The ground floor office accommodation at the northern end of the west wing (G1) at Waverley Court extends to 99.68 sq m (1,073sq ft) or thereby and is shown outlined in red on the plan at Appendix 1. The space is partitioned off and was previously occupied by the Green Investment Bank (cost free) until they relocated permanently to the Atria office building. The space accommodates 14 workstations, but depending on layout there is scope for additional workstations.
- 3.2 Waverley Court annual running costs equate to £1,607 per workstation. This includes rates and all facilities management costs. There is no element allocated for rent as the Council owns the building. Therefore, annual running costs for the space occupied by EFH would be £22,498 per annum, based on 14 workstations.

- 3.3 If the office accommodation was to be allocated a market rent, it is considered that a rate of £23.00 per sq ft could be readily achievable. This equates to £24,679 per annum based on current capacity of 14 workstations. Accordingly, if the space currently occupied by EFH was placed on the open market on purely commercial terms, the annual income to the Council would be approximately £47,000 per annum inclusive. This is equivalent to the levels of rent/service charge approved by Finance and Resources Committee, on 23 March 2017, for the lease of the third floor of Waverley Court to CGI.
- 3.4 The above is estimated to be the opportunity cost to the Council if Committee decides to lease the space at a lower rate under the options set out in the financial implications section.
- 3.5 Appendix 2 has been prepared by EFH and outlines their aims and objectives and the benefits which their location in Edinburgh can bring to the wider economy.

4. Measures of success

- 4.1 The location of EFH in Edinburgh would expand and enhance the awareness of the range of financial and ethical products available.
- 4.2 Granting a lease will allow the tenant to establish a business to introduce investors and borrowers to ethical finance products.

5. Financial impact

- 5.1 The Council's Asset Management Strategy is seeking to make property savings or attract income to set against savings targets. Parts of Waverley Court have been identified as potential spaces for leasing out; the space proposed for EFH is one of these spaces. Accordingly, a series of options is set out below, ranging from full market rent, at cost and no rent and no running costs. Committee is requested to consider the benefits of the establishment of this organisation in Council premises alongside the opportunity cost of doing so.

Option 1 – Market Rent

Annual charge of £46,900 to include rent (£24,402) and running costs (£22,498) (inclusive of rates).

The annual rent of £24,402 to remain fixed, with running costs increased annually in line with RPI.

Option 2 – Running Costs Only

An annual charge of £22,498 per annum, index linked to RPI in Year 2.

Option 3 may require further approval from Scottish Government under the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

Option 3 – No Cost to the Tenant

Ethical Finance Hub Ltd would be charged no rent for a two-year period. Running costs would be absorbed by the City of Edinburgh Council as part of the general running costs for Waverley Court.

5.2 The following terms and conditions would apply to all options:-

- a two-year lease with effect from 1 April 2018;
- an option to extend the lease for a third year on the same terms;
- in all cases the tenant will be responsible for payment of the Council's legal fees; and
- both parties have the option to terminate the lease on giving 6 months prior written notice.

6. Risk, policy, compliance and governance impact

6.1 Option 2 and 3 will require consideration to be taken of The Disposal of Land by Local Authorities (Scotland) Regulations 2010, which provides that where the disposal (or lease) is for a consideration less than the best that can reasonably be obtained, a Local Authority can dispose of the asset, provided it follows certain steps:-

- it appraises and compares the costs and dis-benefits of the proposal with the benefits;
- it satisfies itself the proposed consideration for the disposal in question is reasonable; and
- it determines that the disposal is likely to contribute to the promotion or improvement of any one of: economic development or regeneration, health, social well-being, or environmental well-being, of the whole or any part of the area of the local authority or any person in the local authority area.

6.2 In support of option 3, EFH have advised that they believe that the additional economic value brought to Edinburgh will have a significant net positive impact with the upside in terms of gross economic value-added accruing primarily to Edinburgh through the creation of employment, attracting business and events.

7. Equalities impact

7.1 No negative impact.

8. Sustainability impact

8.1 The lease of vacant accommodation within Waverley Court will ensure that the building is fully utilised.

9. Consultation and engagement

- 9.1 Local ward members have been made aware of these proposals.

10. Background reading/external references

- 10.1 [Waverley Court – Proposed licence to CGI](#): Finance and Resources Committee on 23 March 2017

Stephen S. Moir

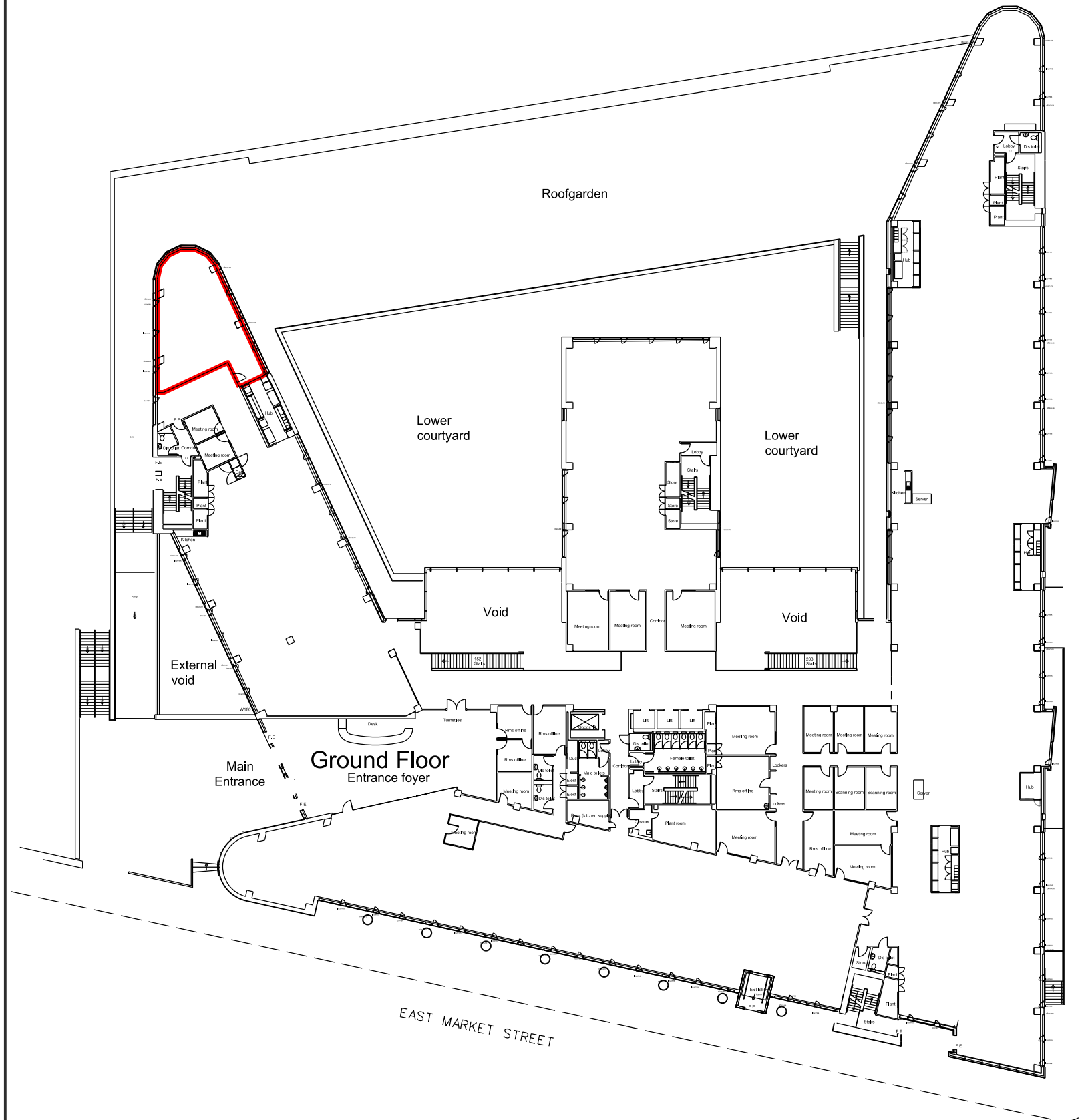
Executive Director of Resources

Contact: Jane Sanders, Senior Estates Surveyor

E-mail: jane.sanders@edinburgh.gov.uk | Tel: 0131 469 5260

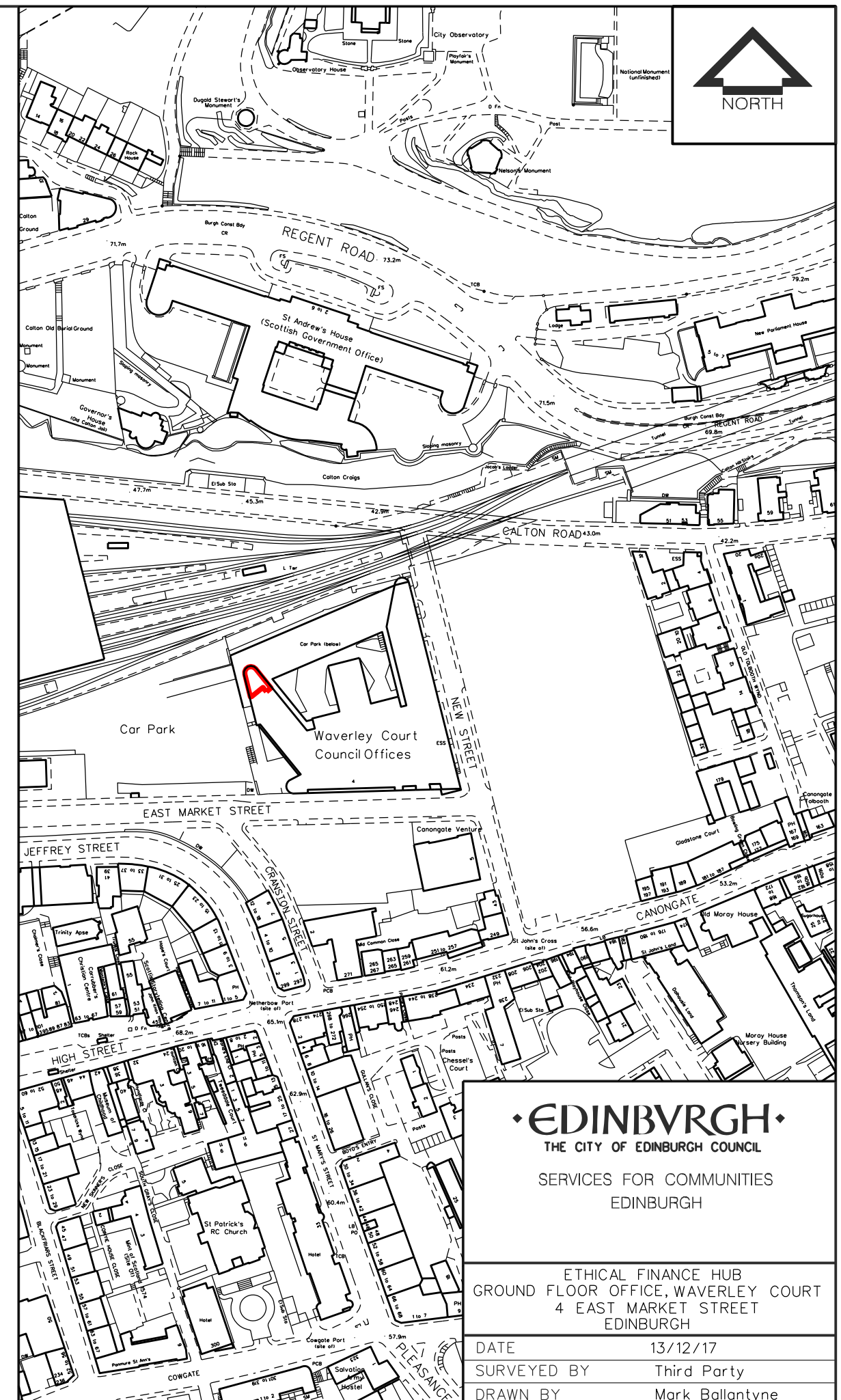
11. Appendices

- 11.1 Appendix 1 - Lease Plan
- 11.2 Appendix 2 – Aims and Objectives of Ethical Finance Hub Ltd



SITE PLAN

SCALE 1:500



LOCATION PLAN SCALE 1:2500

 <p>THE CITY OF EDINBURGH COUNCIL</p> <p>SERVICES FOR COMMUNITIES</p> <p>EDINBURGH</p>	
<p>ETHICAL FINANCE HUB</p> <p>GROUND FLOOR OFFICE, WAVERLEY COURT</p> <p>4 EAST MARKET STREET</p> <p>EDINBURGH</p>	
DATE	13/12/17
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/1877

Appendix 2

Information provided by Ethical Finance Hub Ltd

What is the Ethical Finance Hub?

The Ethical Finance Hub (EFH) is an industry-led not-for-profit organisation that emerged from the award-winning Edinburgh Ethical Finance Round Table series, one of the UK's leading platforms that has been convening the discussion on ethical finance for over eight years. The EFH, and the importance of the ethical finance and sustainability agenda, has received cross-party support and backing by Scottish Government (SG).

Incorporated as a company limited by guarantee in 2016, the EFH team has developed a business model over the past 18 months in consultation with financial institutions and market stakeholders. Based on this feedback, the focus of the EFH is to:

- 1) Provide a physical hub offering flexible working facilities and business incubation that attracts businesses in ethical finance to Edinburgh
- 2) Facilitate networking and collaboration across multiple stakeholders to promote growth
- 3) Build capacity and raise awareness to enhance inclusion
- 4) Deliver innovative research to size and understand the ethical finance market.

The EFH is a unique platform, the first of its kind in the UK, providing a positive differentiator to supplement Edinburgh's existing financial services strength. The focus of the EFH is to help create a fairer, more inclusive and socially responsible financial system as well as improve the environmental, social and governance performances of businesses.

The geographical concentration of financial services organisations, accessibility to Government and academic footprint positions Edinburgh as the optimal city in Scotland to locate the EFH and develop its activities, thereby projecting Scotland in general and Edinburgh as a global centre for ethical finance. This aligns well to the City Region Deal for Edinburgh and South- East Scotland's vision of:

- 1) Creating a region where investment, intellect and culture will fuse to create new ways of doing things
- 2) Becoming the most connected, creative, inclusive and entrepreneurial place in Europe
- 3) Building a network of businesses, universities, technical and creative skills attracted by a great lifestyle and cultural offer.

The Lord Provost endorsed the EFH at the recent Global Ethical Finance Forum, hosted by RBS in Sept 2017. At a national level our SG supporters include Cabinet Secretaries Keith Brown MSP, John Swinney MSP and Derek Mackay MSP, Humza Yousaf MSP as well as Scottish Parliament's Presiding Officer Ken Macintosh MSP. At the UK level we are supported by Lord Sheikh. We also have wide support from across the financial services community in Scotland, including Dame Susan Rice, amongst others, who have endorsed the principle of the EFH.

Background

In 2015, the then Deputy First Minister John Swinney MSP welcomed the formation of a Steering Group (which included representatives from Standard Life Investments, Heriot Watt University, and SG amongst others) to develop the project. SG and the Council provided financial support to enable the Steering Group to develop a business case. In October that year Mr Swinney announced that *"the Scottish Government is supporting this project which will allow Scotland to capitalise on the increased global profile of ethical finance and progress towards becoming a worldwide industry leader in the field."*

Physical Hub

Our core proposition envisages both a physical and a virtual on-line presence for the EFH. The physical space which will serve as the operational centre for the EFH as well as offering desk/office solutions for stakeholders and business incubation and will act as a catalyst to enhance the ethical finance sector locally and promote effective engagement in the sector beyond Scotland. The physical Hub will create a focus of activity for stakeholders to base their activities, share experiences and exchange ideas. The objective is for open working spaces to lead to the development of new products, commissioning of new research, attracting new businesses and the creation of new jobs for Scotland.

The intention is to secure anchor tenants active in the sector and to blend this with secondees from larger organisations and a 'hot-desking' facility. This will form a physical demonstration of the Hub concept - to bring together people from different aspects of the ethical finance market.

Summary of EFH Development and Financial Status

The EFH is still at start-up stage and is in the process of developing a sustainable finance model. While the EFH is currently in receipt of adequate grant funding, principally from Scottish Government, this specifically excludes expenditure on premises and accordingly the EFH is not, as yet, able to service a commercial level of rent. The intention is to maintain a very lean structure and build activities and revenue streams with the aim of financial self-sufficiency (to include premises costs) within a 5 years.

By leveraging existing relationships the EFH will seek to generate revenue streams through both partnership and membership models, along with sponsorship and events, that will de-risk the proposition, reduce costs and avoid reliance on medium/long term Government funding. The EFH will seek to achieve a modest margin through the creation of a membership model that allows other individuals and organisations to use the Hub resources. We appreciate that the Council has a requirement to maximise income but we believe that the additional economic value brought to Edinburgh will have a significant net positive impact more broadly.

Whilst the EFH plans to be self-financing at its core level, the upside in terms of gross economic value add will accrue primarily to the host city through the creation of employment, attracting business and events as noted further below. We expect this activity to grow with the Hub playing a significant role in furthering Edinburgh's reputation as a global ethical finance centre of excellence.

Economic Benefits to Edinburgh

As mentioned above the aim of the EFH is to create specific opportunities for Edinburgh and Scotland. The establishment of the EFH in Edinburgh has, so far, itself created 3 new posts and attracted a 6 person business to move to Edinburgh from another city. In addition Marketing Edinburgh has estimated the economic benefit of £480,000 of attracting the 2015 and 2017 international conference - Global Ethical Finance Forum (GEFF) - to Edinburgh. Following GEFF 2015 Al Rayan Bank opened its offices in Scotland creating employment and committing an immediate short-term investment of £20 million. Currently conversations are advancing exploring the possibility of a new UNDP unit basing itself within the EFH in Edinburgh.

The work being undertaken in the ethical finance sector aligns well to the Council's "*deliver good growth for everyone*" strategy which aims to:

- Deliver growth in jobs and in wages
- Inspire the growth of new, innovative and socially responsible businesses
- Attract investors and developers
- Attract and retain highly skilled workers
- Ensure that benefits of growth are distributed across the city.

Alignment with the Council Economic Strategy

We see the EFH having a direct contribution to the delivery of the recently published Edinburgh Economy Strategy:

- Innovation
 - Providing space to encourage flexible working and business incubation for small organisations
 - Creating jobs by attracting organisations and talent to Edinburgh
 - Raising the international profile and reputation of the city as a leading financial centre
 - Promoting Edinburgh to international investors/developers
 - Leveraging business tourism opportunities for the local economy by attracting international events
 - Employing the UN Sustainable Development Goals to encourage socially responsible business practices
 - Delivering research projects to create a baseline for the market size in Scotland
 - Strengthening relationships through the development of an international internship programme
 - Launching an executive education 'summer school' in Edinburgh
 - Inclusion
 - Raising awareness of ethical finance to improve financial literacy and tackle financial exclusion
 - Delivering research aimed at mobilising private capital to drive inclusive growth in Edinburgh
 - Building local capacity to encourage individuals and organisations to meet present day economic needs (profitably) without compromising those of future generations
 - Collaboration
 - Facilitating connectivity and collaboration between public agencies, business, academia and the third sector.
- For further information please visit www.ethicalfinancehub.org

Finance and Resources Committee

10.00am, Tuesday 27 March 2018

Edinburgh Trams Ltd Combined Liability Insurance Tender 2018

Item number	7.11
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report seeks the approval of the Finance and Resources Committee to award the contract for the provision of Public and Products Liability (including Motor Fleet Third Party Liability) Insurance for Edinburgh Trams Ltd to Travelers Insurance Co Ltd.

The term of the contract is three years, with the option to extend for up to a further 24 months.

Over the five-year duration, the value of the contract has been estimated at £1,438,062.50 plus Insurance Premium Tax at the prevailing rate. The annual premiums are paid in full by Edinburgh Trams Ltd.

Edinburgh Trams Ltd Combined Liability Insurance Tender 2018

1. Recommendations

- 1.1 That the Finance and Resources Committee approves the award of the contract for the provision of Public and Products Liability (including Motor Fleet Third Party Liability) Insurance for Edinburgh Trams Ltd to Travelers Insurance Co Ltd from 31 May 2018 until 30 May 2021 with the option to extend for up to 24 months estimated at £1,438,062.50 plus Insurance Premium Tax at the prevailing rate. The annual premiums are paid in full by Edinburgh Trams Ltd.

2. Background

- 2.1 The current Public and Products Liability (including Motor Fleet Third Party Liability) policy came into force on 31 May 2014. At that time it carried a £10,000 third party property damage deductible (excess) only. At renewal in 2016 the insurers applied a £100,000 deductible on claims in respect of third party injury to pedal cyclists moped and motorcycle riders. These claims continue to be received at an average of one per month.
- 2.2 The current contract for the provision of Public and Products Liability (including Motor Fleet Third Party Liability) Insurance for Edinburgh Trams Ltd expires on 30 May 2018
- 2.3 The insurance policy is required to protect the liabilities of Edinburgh Trams Ltd.
The expiring contract was tendered on behalf of the Council by the insurance advisers at that time, Willis Ltd, through the Government Procurement Service Insurance Services Framework Agreement (RM958). This framework has expired and its replacement was found to be unsuitable for the purposes of this requirement.
- 2.4 There are currently no other tram networks in Scotland and therefore there was no opportunity to collaborate.
- 2.5 The claims history for this policy is poor and this allied to the uncertainty around the outcome of litigated claims involving injury to cyclists was likely to make the policy unattractive to insurers and would lead to premiums increasing significantly.
- 2.6 There are only five tram networks in the UK and, as such, insuring these is a niche market involving a small number of specialist underwriters. The asset values are

also high, meaning that only certain insurers will have a large enough capacity to absorb the risk.

- 2.7 Market analysis revealed that there may be only two insurers who have the capacity to underwrite this type of business.

3. Main report

- 3.1 This contract is for the provision of Public and Products Liability (including Motor Fleet Third Party Liability) Insurance for Edinburgh Trams Ltd.
- 3.2 This tender opportunity was advertised on the Official Journal of the European Union (OJEU) and the Public Contracts Scotland (PCS) portal on 19 January 2018.
- 3.3 The procurement process followed an open tender process due to the limited number of suppliers that can provide this service.
- 3.4 Following insurance best practice, the Price: Quality ratio of 90%:10% was recommended for the following reasons:
- As policy cover, must as a minimum meet the specification, Council wanted to drive the best commercial value from contract; and
 - Sub-deductible claims are currently handled separately by loss adjusters under a discrete contract.
- 3.5 The quality evaluation required evidence of bidders' knowledge and experience by responding to method statements which covered details of the scope of cover, service delivery, business experience, business continuity, fair working practices and community benefits.
- 3.6 The response to this procurement exercise was that two bids were received, however, only one of the bids was fully compliant with the tender documents, with the other being disqualified.
- 3.7 The evaluation scores are as follows:

Lot 1				
Tenderer	Price Score (90%)	Quality Score (10%)	Overall Tender	Overall Rank
Travelers Insurance Company Ltd	90	8.88	98.88	1

- 3.8 The pricing schedule was based on the annual premium, net of a Long-Term Agreement Discount and Insurance Premium Tax.
- 3.9 The contract will be for an initial period of three years. The date of commencement will be 31 May 2018 and run until 30 May 2021, with an option to extend for up to a further two years.
- 3.10 A Summary of Tendering the Process is provided at Appendix 1.

4. Measures of Success

- 4.1 The contract(s) will have several key performance indicators included which covers;
- Policy renewals;
 - Payment; and
 - Communications.
- 4.2 The contract will be managed by Insurance Services Team.

5. Financial impact

- 5.1 Due to the poor claims history, the uncertainty around litigated cyclist claims and the fact that there have been three rises in insurance premium tax in the last two years from 6% to 10% and then 12% and with further rises are likely, the Council had budgeted for an increase to current premiums with annual indexation. The response to this Procurement exercise has borne this out and as such premiums over this contract will generate an estimated annual increase of £52,715.50 against budget. This figure includes Insurance Premium Tax at the prevailing rate. The annual premiums are paid in full by Edinburgh Trams Ltd.
- 5.2 The costs associated with procuring this contract are estimated at up to £10,000.

6. Risk, policy, compliance and governance impact

- 6.1 An Insurance Services representative will be responsible for contract management and will monitor the performance of the contract throughout the term.

7. Equalities impact

- 7.1 There is no relationship to the public sector general equality duty to the matters described in this report and no direct equalities impact arising from this report.

8. Sustainability impact

- 8.1 Sustainable procurement can take a multitude of forms, however, for the purposes of this contract the Council concentrated on Community Benefits.
- 8.2 The contractor has to deliver from a menu of community benefits by spending a number of community benefits points (CBP) which is reflective of the contract value. The successful contractor had to spend 100 points and the benefit they chose to deliver was donating tools and materials to local schools.
- 8.3 Insurance Services will be responsible for ensuring that these benefits are realised over the life of the contract.

9. Consultation and engagement

- 9.1 No consultation or engagement was undertaken due to the limited scope of the contract.

10. Background reading/external references

- 10.1 None.

Stephen S. Moir

Executive Director of Resources

Contact: Colin Strugnell, Assistant Insurance Manager

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11. Appendices

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Contract for the provision Public and Products Liability (including Motor Fleet Third Party Liability) insurance for Edinburgh Trams Ltd	
Contract Period	31 May 2018 to 30 May 2021 with an optional extension of up to 24 months to 30 May 2023	
Estimated Contract Value (including extensions)	£1,438,062.50 over five years	
Procurement Route Chosen	Open	
Tenders Returned	2	
Name of Recommended Supplier(s)	Travelers Insurance Co Ltd	
Price / Quality Split	Quality 10	Price 90
Evaluation Criterion and Weightings and reason for this approach	Criteria	Weighting (%)
	Scope of Cover	50
	Service Delivery	20
	Terms and Conditions	20
	Business Experience	5
	Business Continuity	2.5
	Fair Working Practices	2.5
	Community Benefits	Information purposes only
Evaluation Team	The evaluation team consisted of officers from the Council's Insurance Service.	

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Partnership with Edinburgh and Lothians Greenspace Trust

Item number	7.12
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	39 , 43 , 44 and 47

Executive Summary

Edinburgh and Lothians Greenspace Trust (ELGT) is a charity and a company limited by guarantee created by the Council and neighbouring authorities to deliver green space initiatives. Its work is overseen by a Board of Directors which includes elected members from Edinburgh, Midlothian and East Lothian Councils.

This report seeks the approval of the Finance and Resources Committee to establish a Framework Agreement with Edinburgh and Lothians Greenspace Trust (ELGT) to place contracts to deliver green space projects. The duration of the framework agreement will be four years, replacing a contract waiver previously agreed by the Council's Finance and Resources Committee on [28 November 2013](#), in recognition of the organisation's unique characteristics and its ability to secure third party funding.

The estimated total value of contracts to be awarded under this framework agreement is expected to be £5,000,000, with the Council's financial contribution limited to £2,000,000, the remainder sourced from third party funding. The actual value of contracts awarded will depend on the type and volume of projects identified by Council Officers throughout the period. It is noted that ELGT's operational costs run at an average of thirteen percent of total contract value.

Partnership with Edinburgh and Lothians Greenspace Trust

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the establishment of a Framework Agreement with ELGT, to place contracts to deliver green space projects, with no guarantee of volume, for a period of four years from 29 January 2018 to 29 January 2022.
- 1.2 It is recommended Finance and Resources Committee note that under this Agreement ELGT will continue to provide specialist services to the Council which are in the best interests of the Council, with a signed off financial ceiling by the Council of £2m over the four-year period.
- 1.3 Note that ELGT will continue to undertake green space projects with an expectation that, on average, the Council receives £2.50 benefit for each £1 of investment.

2. Background

- 2.1 The Council is one of ELGT's founding partners and the two organisations have a long history of working together to achieve charitable aims and environmental projects. ELGT is a charity and a company limited by guarantee overseen by a Board of Directors, which includes members drawn from the City of Edinburgh, Midlothian and East Lothian Councils.
- 2.2 ELGT is the main delivery organisation for the Central Scotland Green Network (CSGN) for the East of Scotland and employs the Lothians and Fife Green Network Partnership (2 members of staff) at their offices. The CSGN is a development within the National Planning Framework which aims to make 'a significant contribution to Scotland's sustainable economic development'. The CSGN endeavours to change the face of Central Scotland by restoring and transforming the landscape of an area that stretches from Ayrshire and Inverclyde in the west, to Fife and the Lothians in the east.
- 2.3 Over the past 25 years ELGT has delivered over 600 projects across Edinburgh and the surrounding area.
- 2.4 The increase in value of individual projects reflect the success of the existing partnership process, which delivers a host of new green space and green infrastructure projects; particularly those that relate directly to Active Travel. For example, in the first phase of works at Little France Park ELGT secured £543,844

of external funding following a Council contribution of £25,000. The project delivered a new cycle route and associated green infrastructure within the park.

- 2.5 ELGT has a unique role in that it acts as applicant and recipient of grant aid funds that are not available to the Council. The funds raised are then used to enhance the value of works delivered. ELGT runs its own tendering process to award work, and it is not in direct competition with landscaping or other companies. It should also be noted that some funding received from the Council (c. £145k) was secured initially by ELGT (e.g. Scottish Rural Development Funding and Landfill Tax Funding) but is paid directly to the landowner and then passed to ELGT as part of the overall project cost.
- 2.6 There is no other organisation as capable as ELGT in adding value to Place-led projects in the form of grants and community facilitation. It has the considerable advantage in having Council elected members on its Board of Directors, providing oversight of all ELGT activities. Furthermore, ELGT is intrinsically linked to the Central Scotland Green Network, to which the Council is a signatory, and is the lead charitable body for delivery of CSGN objectives in the Edinburgh area.

3. Main report

- 3.1 To continue to deliver many Parks, Greenspace and Cemeteries and Locality projects, the Council is required to put in place a contractual arrangement with ELGT.
- 3.2 ELGT is a charity and a company limited by guarantee created by the Council and neighbouring authorities to deliver green space initiatives. ELGT supports the provision of fundraising, community development and consultation work, and the delivery of environmental projects on the Council's behalf.
- 3.3 ELGT is the only organisation operating within the city that has a dedicated greenspace remit and commitment to the whole of Edinburgh. While there are charities and consultants that cover some aspects of what ELGT provides, their remit is narrow. Similarly, there are many direct landscaping organisations but they do not provide a management, community engagement and external fundraising service.
- 3.4 It is therefore recommended that the Finance and Resources Committee approves the establishment of a Framework Agreement with ELGT, with no guarantee of volume, for a period of four years.
- 3.5 This agreement will replace a contract waiver previously agreed by the Council's Finance and Resources Committee (November 2013), in recognition of the organisation's unique characteristics and its ability to secure third party funding.
- 3.6 This agreement will allow contracts to be competitively tendered and placed to deliver many Parks, Greenspace and Cemeteries and Locality projects.

- 3.7 The estimated total value of contracts to be awarded under this framework agreement is expected to be up to £5,000,000, with the Council's financial contribution limited to £2,000,000, the remainder sourced from third party funding.
- 3.8 The actual value of contracts awarded will depend on the volume of projects identified, scoped and agreed by Council Officers throughout the period on an individual basis. It is noted that ELGT's operational costs run at an average of thirteen percent of total project value.
- 3.9 The primary tasks undertaken by ELGT is sourcing of third party funding and overall facilitation of project delivery, inclusive of community consultation, procurement and overall project management.
- 3.10 ELGT is a unique organisation insofar that it:
- 3.10.1 is a charity committed to achieving aims consistent with the Council's values and objectives;
 - 3.10.2 was created by the Council in partnership with others to achieve these aims because there is no other similar body in existence;
 - 3.10.3 is the lead charity body for delivery of Central Scotland Green Network objectives in the Edinburgh Area;
 - 3.10.4 acts as applicant and recipient of grant aid funds that are not available to the Council, thereby adding value;
 - 3.10.5 is already intimately involved in delivery of Council led priority projects, e.g. the creation of Little France Park and the Council's Play Area Action Plan.
- 3.11 The scale of works and added value is considerable. Since its inception, over the past 25 years ELGT has delivered over 600 projects across Edinburgh and the surrounding area. In the past 12 years, ELGT has delivered over 200 projects in Edinburgh at a total value of approximately £6.8m, with the Council contributing £2.95m, whilst ELGT has raised an additional £3.85m from a wide range of other sources.
- 3.12 In addition, there is a further £1.28m of project work planned for 2018/19 of which the Council would be contributing £0.28m. The value of total projects delivered (inclusive of third party contributions) from Financial Year 2014/15 to current is presented in Appendix 1. It is therefore in the best interests of the Council to take advantage of the additional funding streams which ELGT can access.
- 3.13 The specialist services which ELGT provides to the Council are:
- 3.13.1 attracting grant aid for Council projects;
 - 3.13.2 carrying out community engagement work covering green spaces;
 - 3.13.3 tender and manage the delivery of green space enhancement projects;
 - 3.13.4 providing a mechanism to create and strengthen new partnerships.

4. Measures of success

- 4.1 Key measures of success for Council projects undertaken by ELGT are:
 - 4.1.1 The Council successfully establishes a new framework agreement that replaces the current waiver, thereby enabling the Council to continue to deliver many Parks, Greenspace and Cemeteries and Locality projects,
 - 4.1.2 Grant contributions are secured by ELGT over and above Council funding enabling a greater volume and scope of improvement initiatives than could be accomplished by Council funding in isolation.
 - 4.1.3 Delivery of high quality projects on time and to budget.
 - 4.1.4 Active community involvement in projects.

5. Financial impact

- 5.1 The Council's financial contribution will be limited to £2,000,000. The actual value of contracts awarded will depend on the volume of projects identified by Council Officers on an individual needs basis throughout the period.
- 5.2 Orders will only be placed by the Council when these are in line with approved budgets and project priorities. Entering into such an agreement, in which there would be no guarantee of volume, would formalise the Council's contractual agreements with ELGT.
- 5.3 It is expected that for that, on average, the Council will receive £2.50 benefit for each £1 of investment.
- 5.4 It is noted that ELGT's operational costs run at an average of thirteen percent of total contract values.
- 5.5 Agreement provides a measure of stability for ELGT in whose financial viability the Council has a continuing interest.

6. Risk, policy, compliance and governance impact

- 6.1 The risks of challenge arising from the approval of this Agreement are considered to be low. This is based upon the following:
 - 6.1.1 ELGT is a unique organisation that has been up and running in Edinburgh for over 25 years and which has access to funding that the Council cannot directly obtain.
 - 6.1.2 All jointly agreed and funded projects are procured through a competitive tendering process undertaken by ELGT.
 - 6.1.3 It is in the interest of suppliers who participate in competitive tendering exercises that ELGT is the contracting authority as the scope of initiatives is greater by both value and quantity than the Council could tender in isolation.

- 6.1.4 The organisation status may be considered a jointly controlled person within the definition provided under The Public Contracts (Scotland) Regulations 2015, as such the agreement would be excluded from the duties placed on public contracts. The direct award of funding without competition is therefore of low risk to legal challenge.
- 6.2 The risks arising if the agreement is not approved are as follows:
- 6.2.1 It is highly likely that project delivery will be delayed and that slippage of capital budgets will result.
- 6.2.2 It is inevitable that grant income will not be realised since the Council has no other way of achieving this, which will substantially reduce the value and quantity of project works undertaken.
- 6.2.3 As the Council is dependent on ELGT for enhanced community development and consultation work, it is likely that this work will be significantly reduced.
- 6.2.4 As ELGT is highly dependent on joint Council projects, lack of project funds may put ELGT's continued existence at risk.

7. Equalities impact

- 7.1 The contents and recommendations of this report do not detract from the delivery of the general Public-Sector equality duties. The work carried out by ELGT on the Council's behalf as described in this report does not infringe upon the ten areas of rights and makes a positive contribution to 'age' (facilities, information and resources are provided to help people of all ages learn about and enjoy parks and green spaces) and 'disability' (access infrastructure, play equipment and other amenities are designed as far as possible to be accessible to people of all abilities).

8. Sustainability impact

- 8.1 The work carried out by ELGT on the Council's behalf as described in this report supports sustainability objectives by: 1) enhancing the value of Edinburgh's parks and greenspaces; 2) helping to absorb carbon through the protection and enhancement of woodland and green spaces 3) enhancing the biodiversity of Edinburgh and the Lothians; and 4) protecting landscape and environmental quality.

9. Consultation and engagement

- 9.1 Consultation and engagement with stakeholders at the appropriate level will be planned as part of each individual project.

10. Background reading/external references

- 10.1 Report to Finance and Resources 31 October 2013 Partnership and Procurement Arrangements with Edinburgh and Lothians Greenspace Trust.
- 10.2 Minute of Finance and Resources Committee 31 October 2013.
- 10.3 Report to Finance and Resources 28 November 2013 Partnership and Procurement Arrangements with Edinburgh and Lothians Greenspace Trust.
- 10.4 Minute of Finance and Resources Committee 28 November 2013.

Paul Lawrence

Executive Director of Place

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11. Appendices

Appendix 1: ELGT Edinburgh Project Work Programme 2015 onwards

APPENDIX 1 - ELGT Project Programmes 2014/15 to 2018/19

	Project Number	Project	Project Total	Subject to waiver	Other income (inclusive of CEC grants)	Location	Description
2014/15							
	525	Bonaly Country Park	70,885	-	70,885	City of Edinburgh	Establishment of 10.50ha woodland
	565	Branching Out	9,944	-	9,944	CEC/MC/EL	Delivery of Branching Out Programme
	512	Buttercup Farm Park 2014/15	208,671	156,079	52,592	City of Edinburgh	Phase 2 of implementation works
	581	CEC Parks Signage	9,775	9,775	-	City of Edinburgh	Supply & installation of park signage
	569	Craigentinny Primary School	4,529	-	4,529	City of Edinburgh	Woodland & enviromental learning area
	563	Cycleway Landscape Improvements	12,000	-	12,000	City of Edinburgh	Implementation of capital works at 5-ways junction
	566	Cycleway Woodland Events	4,911	-	4,911	City of Edinburgh	Delivery of programme of volunteer events
	573	Cycleways Events	800	-	800	City of Edinburgh	Running promotional event on cycleways
	571	Dreghorn Centenary Planting	5,000	-	5,000	City of Edinburgh	Community engagement WW1 programme for WTS
	544	Drylaw Skate Park	189,535	-	189,535	City of Edinburgh	Development and installation of skate park
	572	ELGT Workshop Programme	8,712	-	8,712	City of Edinburgh	Development & delivery of workshop programme
	568	Forest School Programme	13,444	-	13,444	City of Edinburgh	Delivery of Forest Schools Programme
	580	Fountainbridge Access	1,785	-	1,785	City of Edinburgh	Access improvements to temp greening and community garden
	564	Greening for Health Project	45,836	-	45,836	City of Edinburgh	Support & delivery of community gardens
	557	Gypsy Gate	3,050	-	3,050	City of Edinburgh	Initial design work for greenspace improvements
	561	Hailes Quarry Park - Horticulture Improvements	10,000	-	10,000	City of Edinburgh	Horticultural environment programme 2014/15
	558	Hailes Quarry Park - Woodland Activity Programme	6,904	-	6,904	City of Edinburgh	Woodland activity programme and bike club
	556	Harmeny Community Woodland	889	-	889	City of Edinburgh	Woodland activity programme
	537	Harrison Park	2,015	2,015	-	City of Edinburgh	Community engagement programme
	560a	Leith Links Community Garden	12,700	7,700	5,000	City of Edinburgh	Development of community garden with Leith Links Group
	575	Little France Park	24,075	19,075	5,000	City of Edinburgh	Development of green infrastructure proposals
	530	Lothians Woodland Creation Project	34,411	10,000	24,411	CEC/MC/EL	Woodland creation and green network development
	587	Millenium Woodland add-on	6,567	-	6,567	City of Edinburgh	To supplement projects 567 & 569
	539	Ratho Station Community Park	63,515	59,672	3,843	City of Edinburgh	Seating and other works - Phase 2
	562	South Edinburgh Healthy Lifestyles	29,760	-	29,760	City of Edinburgh	Delivery of healthy living & well being programme - Moredun
	576	Swanston Farm Steil	4,000	-	4,000	City of Edinburgh	Dry stone seating/training project with Friends of Pentlands
	578	Tree Time	15,000	-	15,000	City of Edinburgh	City-wide fundraising campaign
	574	Victoria Park Allotment	10,000	10,000	-	CEC Leith	Community engagement & implementation of new allotments
	567	Wester Hailes School Woodland	4,600	-	4,600	City of Edinburgh	Woodland conservation school programme with WHEC
			813,313	274,316	538,997		

Project Number	Project	Project Total	Subject to waiver	Other income (inclusive of CEC grants)	Location	Description
2015/16						
617	Braidburn Valley cherry tree replacement	10,000	-	10,000	CEC Liberton	Historic Cherry trefoil replacement
600	Branching Out	9,885	-	9,885	CEC/MC/EL	Branching Out Programme
579	Burdiehouse Burn Active Travel	104,352	-	104,352	CEC Liberton	Active Travel project
577	Burdiehouse Woodlands	2,316	-	2,316	CEC Liberton	Community group woodland skills and delivery
630	Corporate volunteering	936	-	936	CEC/MC/EL	Corporate volunteering
584	Craigmillar Temp Greening CSGN	77,145	5,920	71,225	CEC Portobello	Temporary greening
637	Drylaw Skatepark Seating	300	300	-	CEC Inverleith	Concrete seating at Drylaw skatepark
625	Easter Drylaw Park - Cycleways Events	3,521	-	3,521	CEC Forth	Events and volunteering sessions on the cycleways
599	Easter Drylaw Park Activity Day	2,000	-	2,000	CEC Inverleith	Activity Day
612	FCS West Pilton Park woodland management	2,987	-	2,987	CEC Forth	Woodland management, engagement and planting in WPP
601	FCS Woodland Activities	4,168	-	4,168	CEC/MC/EL	Development & delivery of workshop programme
602	Forest School Programme	3,950	-	3,950	CEC South West	Forest School Programme
623	Fountainbridge Infrastructure	2,390	-	2,390	CEC South West	Movement of trees and bark chips at Temp Greening Site
638	FTP HQP Woodland expansion	1,925	-	1,925	CEC South West	Woodland planting project
594	Gate 55 Feasibility Study	3,800	-	3,800	CEC South West	To commission landscape plan for their site
624	Gracemount High School Sessions	2,050	2,050	-	CEC Liberton	Gracemount High School Sessions
611	Harmony Woodland community engagement	1,897	-	1,897	CEC Pentlands	Woodland engagement in Harmony Woods
603	Harrison Park Community Events	2,720	2,720	-	CEC South West	Community engagement programme
586	Heritage Crafts	6,000	-	6,000	City of Edinburgh	Promoting heritage crafts
598	HISG - Gardening	46,932	-	46,932	City of Edinburgh	Support & delivery of community gardens
596	HQP - biodiversity enhancements	10,000	-	10,000	CEC South West	HQP - horticultural improvements
592	Leith Links Playpark and Landscaping	3,770	3,770	-	CEC Leith	Leith Links playpark consultation
626	Little France Park community engagement	21,265	21,265	-	CEC Portobello	Community engagement activities
585	Little France Park Cycle Route Creation	296,784	25,000	271,784	CEC Portobello	Active travel route
621	Magdalene Glen Playpark Consultation	1,530	1,530	-	CEC Portobello	Magdalene Glen Playpark Consultation
589	New Portobello Park consultation	24,595	24,595	-	CEC Portobello	Consultation for new park at Portobello High School site
632	Pentland Path Project	26,950	17,450	9,500	CEC Pentlands	Feasibility study into Pentlands Path Network
615a	Ratho Station green boundary	5,974	-	5,974	CEC Almond	Green boundary at Ratho Station Park
615	Ratho Station green boundary CEC	2,000	2,000	-	CEC Almond	Green boundary at Ratho
597	South Edinburgh Healthy Lifestyles	27,563	-	27,563	CEC Liberton	Delivery of healthy living & well being programme - Moredun
590	Spylaw Park - Woodland Enhancements	4,520	-	4,520	CEC Pentlands	Water of Leith path improvements
619	Stenhouse Allotments	55,393	55,393	-	City of Edinburgh	New allotment site adjacent to Stenhouse Allotments
574a	Victoria Park Allotment	42,256	42,256	-	CEC Leith	New Allotment at Victoria Park
608	West Pilton Park Consultation	800	-	800	CEC Forth	Community consultation for West Pilton Park
627	Wester Drylaw orchard and growing space	5,042	-	5,042	CEC Inverleith	Wester drylaw orchard and growing space
622	Woodland Activities in Wester Hailes	445	445	-	CEC South West	Woodland activity programme
		818,161	204,694	613,467		

Project			Subject to	Other income		
Number	Project	Project Total	waiver	(inclusive of CEC grants)	Location	Description
2016/17						
635	Bonaly Country Park Woodland Improvement	3,040	-	3,040	CEC Pentlands	Development of management plan for WIAT scheme
660	Braidburn Valley cherry tree replacement Phase 2	6,500	-	6,500	City of Edinburgh	Phase 2 of project
650	Branching Out 16-17	9,683	-	9,683	City of Edinburgh	Branching Out Programme
675	Brunstane Burn path upgrade	86,188	-	86,188	City of Edinburgh	Burdiehouse Burn path upgrade
652	Easter Family gardening session	75	-	75	City of Edinburgh	Easter Family gardening session
662	FCS Clermiston Park woodland activities	4,263	-	4,263	CEC Western	Clermiston Park woodland activities
628	FCS Woodland Activities Programme 16/17	4,401	-	4,401	CEC South West	Woodland Activities Programme
656	Field Trees within Pentland Hills Regional Park	3,000	-	3,000	CEC/MC/EL	Field Trees within Pentland Hills Regional Park
661	Forest School Programme	3,950	-	3,950	CEC South West	Forest School Programme
591	Greening Industrial Estates	5,000	-	5,000	CEC/MC/EL	Feasibility study in how to "green" industrial estates
653	Harrison Park Community Events 16-17	1,164	1,164	-	City of Edinburgh	Harrison Park Community Events
640	HISG Community Gardening	44,227	-	44,227	City of Edinburgh	Support & delivery of community gardens
641	HISG South Edinburgh Healthy Lifestyles	26,179	-	26,179	CEC Liberton	Delivery of healthy living & well being programme - Moredun
643	HQP biodiversity improvements 16-17	10,160	-	10,160	CEC South West	Biodiversity improvements
629	Hunters Tryst MOD engagement programme	27,750	-	27,750	CEC Pentlands	Hunter Tryst MOD engagement
585a	Little France Park Cycle Route Creation	272,060	-	272,060	CEC Portobello	Active travel route
647	Madelvic Cairn Housing Association Project	1,161	-	1,161	CEC Forth	Additional workshops for rooftop community garden
648	Magdalene Glen Playpark and Community Engagement	205,527	205,527	4,250	City of Edinburgh	New playpark and community engagement for Magdalene Glen
651	Newhaven Heritage Garden	5,000	-	5,000	CEC Forth	Community garden and community engagement
664	Paths For All - Dementia Walking Programme	2,549	-	2,549	CEC South West	Dementia walking programme
657	Urban Trees Campaign	4,144	-	4,144	CEC City Centre	Urban Trees Campaign
614	West Pilton Park footprint	5,000	-	5,000	CEC Forth	West Pilton Park footprint
686	Whinpark Medical Centre	1,500	-	1,500	CEC South West	Whinpark Medical Centre Community Garden
605	Woodhall Mains Volunteering	5,650	-	5,650	CEC Pentlands	Woodhall Mains Volunteering engagement programme
649	Woodland Activity Programme - FCS Dementia	6,000	-	6,000	CEC/MC/EL	Woodland Activity Programme (Dementia)
		744,171	206,691	541,730		

Project Number	Project	Project Total	Subject to waiver	Other income (inclusive of CEC grants)	Location	Description
PROJECTS FROM 1-APR-17 TO 31-DEC-17						
698	Balerno Woods youth groups conservation sessions	4,680	-	4,680	CEC South West	Balerno Woods conservation sessions
658	Blinkbonny biodiversity improvements	4,250	-	4,250	CEC South West	Blinkbonny biodiversity improvements
679	Branching Out 17-18	10,000	-	10,000	City of Edinburgh	Branching Out Programme
709	Burdiehouse Burn Valley Park conservation and biodiversity promotion	4,137	-	4,137	CEC South Central	Burdiehouse Burn Valley Park conservation and biodiversity promotion
683	Colinton Mains Skatepark Feasibility Study	1,500	-	1,500	CEC South West	Skatepark Feasibility Study
670	Conference Square	3,000	-	3,000	City of Edinburgh	New trees for Conference Square
672	Craigmillar Castle Park Woodland Mgmt Plan	1,876	-	1,876	CEC South Central	WIAT Woodland Management Plan
692	Craigmillar greenspace improvements 17-18	4,990	-	4,990	CEC Portobello	Greenspace improvements
694	FCS Burdiehouse Burn Valley Park Activities 17-18	4,468	-	4,468	CEC South Central	Burdiehouse Burn Valley Park Activitie
695	FCS Lochend Park Play Activities 17-18	4,014	-	4,014	CEC Craigentinny	Lochend Park Play Activities
696	FCS Woodburn Education Activities 17-18	3,304	-	3,304	Midlothian	Woodburn Education Activities
693	FCS Woodland Activities 17-18	4,408	-	4,408	City of Edinburgh	Woodland activities
701	Fields in Trust West Pilton Park	4,946	-	4,946	City of Edinburgh	Fields in Trust West Pilton Park
703	Forest School Programme 17-18	3,950	-	3,950	CEC South West	Forest School Programme in HQP
711	Gamechanger Events	500	-	500	City of Edinburgh	Environmental Workshops
702	Gracemount HS John Muir Award	500	-	500	CEC Forth	Gracemount HS John Muir Award
673	Hailsland Early Years greenspace improvements	3,810	-	3,810	CEC South West	Biodiversity improvements at Hailsland Early Years Centre
689	Harrison Park Community Events 17-18	3,802	1,394	2,408	CEC South West	Harrison Park Community Events
682	Health & Social Care South Edinburgh	84,994	-	84,994	City of Edinburgh	South Edinburgh Health and Social Care project
606	Heritage Crafts - Hermitage of Braid activities	3,000	-	3,000	CEC South Central	Hermitage of Braid activities
666	HES - Mavisbank Engagement Programme	4,765	-	4,765	Midlothian	Mavisbank Engagement Programme
678	HISG South Edinburgh Healthy Lifestyles and Community Gardening 17-18	88,713	-	88,713	City of Edinburgh	Delivery of healthy living & well being programme - Moredun
684	HLF Craigmillar Castle Park	10,000	-	10,000	City of Edinburgh	HLF application for Rowanbank events
676	HQP community engagement 17-18	19,000	-	19,000	CEC South West	HQP biodiversity improvements
671	Little France Park Feasibility Phase II	17,216	5,674	11,542	CEC South Central	Little France Park Active Travel Phase II Feasibility Study
642	Netherton Farm Woodland Creation	3,000	-	3,000	Midlothian	Woodland creation project
663	Newcraighall Play Park	65,439	18,742	46,697	City of Edinburgh	New play park at Newcraighall Park
687	Paths for All - Dementia HQP	2,000	-	2,000	CEC South West	Dementia Walking project in HQP
685	Postcode Lottery Hailes Quarry Park	24,999	4,999	20,000	CEC South West	Wetland area improvements to Hailes Quarry Park
690	Ravenscroft Garden Teensplus	5,000	-	5,000	CEC Liberton	Community Garden Gilmerton
681	Scottish Biodiversity Strategy - Learning in Local Greenspace Project	8,000	-	8,000	City of Edinburgh	Scottish Biodiversity Strategy - Learning in Local Greenspace Project
688	St Marks Park path upgrade	18,812	-	18,812	City of Edinburgh	St Marks Park path upgrade along Water of Leith path
680	Straiton Park 17-18	62,261	35,000	27,261	CEC Portobello	New playpark and outdoor gym facilities
674	Tesco Dementia Woodland Activities	5,000	-	5,000	CEC South Central	Dementia Woodland Activities
665	West Pilton Park greenspace improvements and community engagement	25,452	-	25,452	CEC Forth	West Pilton Park greenspace improvements
		515,786	65,809	449,977		
TOTALS 2014-2017		2,891,431	751,510	2,144,171		

Project Number	Project	Project Total	Subject to waiver	Other income (inclusive of CEC grants)	Location	Description
PROJECTS JAN-18 ONWARDS AND IN DEVELOPMENT						
667	Balbirnie (Dunedin Canmore)	10,000	-	-	City of Edinburgh	Community Garden
715	Branching Out 18-19	10,000	-	-	CEC/MC/EL	Branching Out Programme
582	CEC Woodland Creation Saughton	6,000	-	-	CEC Western	Woodland creation along Tramway
706	Craigmillar Caravan Obscura	4,780	-	-	CEC Portobello	Project to run a Caravan Obscura in CCP
710	Harrison Park community events 18-19	1,000	-	-	City of Edinburgh	Harrison Park community events 18-19
699	Heritage Crafts – Braidburn Valley Park	4,900	-	-	CEC South Central	Heritage Crafts – Braidburn Valley Park
712	HISG South Edinburgh Healthy Lifestyles and Community Gardening 18-19	67,308	-	67,308	City of Edinburgh	HISG South Edinburgh Healthy Lifestyles and Community Gardening
714	HQP community engagement 18-19	10,000	-	-	CEC South West	HQP community engagement programme
700	Innertube Map Development	6,815	-	-	City of Edinburgh	Innertube Map Development
716	Leith Links Play Park	200,000	-	-	City of Edinburgh	Leith Links Play area
677	Little France Park Active Travel Phase II	790,456	260,000	530,456	City of Edinburgh	Delivery of Active Travel Route
609	Little France Park Woodland Creation	32,000	-	-	CEC Portobello	Woodland Creation at Little France Park, Edinburgh
704	Mavisbank WIAT application	2,500	-	-	Midlothian	Mavisbank WIAT application
618	Pilrig Park Clydesdale Fund	4,708	-	-	CEC Leith	Pilrig Park improvements
697	Pilrig Park conservation and woodland trail	5,350	-	-	CEC Leith	Pilrig Park conservation and woodland trail
691	Pilrig Park Playpark	59,837	20,804	-	CEC Leith	New playpark and nature trail Pilrig Park
681a	Scottish Biodiversity Strategy - Learning in Local Greenspace Project	4,000	-	-	City of Edinburgh	Scottish Biodiversity Strategy - Learning in Local Greenspace Project
713	South Edinburgh Health & Social Care 18-19	59,994	-	59,994	City of Edinburgh	South Edinburgh Health & Social Care project
705	Tescos Woodland Activities Midlothian	1,000	-	-	Midlothian	Woodland Activities in Midlothian
708	Tree Planting Campaign	3,050	-	-	City of Edinburgh	Tree Planting Campaign
		1,283,698	280,804	657,758		

Finance & Resources Committee

10.00am, Tuesday 27 March 2018

21st Century Homes Small Sites Programme – Dumbryden Phase 2

Item number	7.13
Report number	
Executive/routine	Executive
Wards	2 Pentland Hills
Council Commitments	C1 , C4 , C10 , C12 , C18

Executive Summary

The purpose of this report is to seek committee approval to place a Project Order with Robertson Construction Group Ltd, using the Scape Major Works Scotland framework. This order is for the development and delivery of a second phase of affordable homes at Dumbryden Drive, within a project target budget of £6.25 million. Approval is sought to apply for Scottish Government grant funding for the social rented homes included within the development.

49 new homes are currently being constructed on the Dumbryden site as part of the Small Sites Affordable Housing Programme. This proposal would see around a further 49 energy efficient homes delivered as part of a second phase (Dumbryden Phase 2). The estimated timescales are for pre-construction activities to commence in Spring 2018, and for construction to commence on site in Summer 2019 for a period of 18 months. This will bring the total number of homes to be constructed under the Small Sites Affordable Housing Programme to 312. Committee is requested to note that housing construction has commenced on all the small sites, with first completions expected in May 2018.

21st Century Homes Small Sites Programme – Dumbryden Phase 2

1 Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 Agrees to place a Project Order with Robertson Construction Group Ltd to progress pre-construction activities, using the current Scape Major Works Scotland framework;
 - 1.1.2 Agrees a project budget of up to £6.25 million;
 - 1.1.3 Permits the Executive Director of Place to enter into a Delivery Agreement with Robertson Construction Group Ltd through the Scape Major Works Scotland framework, to construct up to 49 affordable homes on condition that total costs for the project do not exceed the project budget, and planning approval has been received;
 - 1.1.4 Agrees to apply for Scottish Government grant funding to support the delivery of around 35 homes for social rent on the site; and
 - 1.1.5 Note that housing construction has commenced on all the small sites, with first completions expected in May 2018.

2 Background

- 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 National Major Works Framework 2013 within an estimated three-year timescale. These sites are located at Calder Gardens, Crewe Road Gardens, Dumbryden Drive, Hailesland Place, Parkgrove Terrace, Royston Mains Avenue and West Pilton Grove.
- 2.2 The Committee agreed to place a Project Order with Willmott Dixon using the Scape Framework, and approved a project budget of £29.7 million. Approval was also given to allow the Executive Director of Place to enter into Delivery Agreements for the sites, and for officers to apply for Scottish Government Grant funding.
- 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 (HRA), providing an opportunity to develop more affordable homes on the Phase 1 site.

- 2.4 On [23 January 2018](#), the Finance and Resources Committee agreed to transfer the balance of the former Dumbryden Primary School site to the HRA, providing an opportunity to deliver a second phase of affordable homes on this site.

3 Main report

- 3.1 A Project Order was raised through the Scape Framework in April 2016 with Robertson Construction Group Ltd, Willmott Dixon's assigned sub-contractor in Scotland, to deliver the Small Sites Affordable Housing Programme. The following progress has been made in developing and constructing 263 affordable homes across the seven sites:
- 3.1.1 Completion of pre-construction design activities for all seven sites;
 - 3.1.2 Sign-off of Delivery Agreements and supporting documentation for all seven sites;
 - 3.1.3 Receipt of £5.09 million of the Scottish Government's approved grant funding of £8.75 million;
 - 3.1.4 Statutory consents, including planning approval and building warrants, for all seven sites; and
 - 3.1.5 Commencement of construction works on all sites, with the first completions expected in May 2018.
- 3.2 In August 2017, Robertson Partnership Homes (the affordable house building arm of Robertson Construction Group Ltd) were commissioned to undertake a feasibility study to develop a second phase of affordable housing on the remainder of the former Dumbryden Primary School site.
- 3.3 There are a number of factors as to why Robertson Partnership Homes were engaged to undertake the feasibility work for Dumbryden Phase 2:
- 3.3.1 In June 2017 Robertson Construction Group Ltd were awarded the Scape National Construction Framework – Major Works Scotland, for projects between £2- 20million;
 - 3.3.2 Under the Scape National Construction Framework the cost of preparing feasibility studies is zero;
 - 3.3.3 Using the same developer as Dumbryden Phase 1 provides continuity of design and quality in the housing and public realm;
 - 3.3.4 Using the same developer could enable a seamless transition between the construction of Phases 1 and 2, without the possibility of conflict of responsibility for any damage to infrastructure (roads, footpaths etc) during the Phase 1 defects liability period;

- 3.3.5 There could be potential benefits and reduced risk by using a 'tried and tested' developer whose construction costs for the Phase 1 affordable homes were known, and which had been market tested and could be used as a benchmark for Phase 2; and
- 3.3.6 Continuity of community benefits across both phases, including apprenticeship places, local community engagement, work placements.
- 3.4 The feasibility study completed in December 2017 indicates that around 49 homes can be constructed on the site.
- 3.5 It is now proposed to deliver the Dumbryden Phase 2 development using the Scape Major Works Scotland framework using Robertson Partnership Homes/Robertson Construction Ltd.
- 3.6 Subject to Committee approval, a Project Order will be placed through the Scape Framework to enable the pre-construction activities (design, community consultation, planning application etc) to commence, and for detailed cost plans to be prepared. The Council will only enter into a construction contract (Delivery Agreement) when planning consent is in place and the Council's independent cost consultant certifies that the fixed price proposed by Robertson has been market tested and represents value for money for the Council.
- 3.7 It is proposed that the project budget for the Dumbryden Phase 2, development will be capped at £6.25 million. As with the other small sites, progress will be reported to the Council's 21st Century Homes Programme Board and the Housing and Economy Committee.
- 3.8 Placing the project order for this development with Robertson Construction will ensure that the new housing development is successfully integrated with the Phase 1 development. It will also enable the site to be developed quickly. It will bring the total number of affordable homes developed across the Small Sites Affordable Housing Programme to 312 homes.

4 Measures of success

- 4.1 Delivery of around 49 high quality, energy efficient homes on the Dumbryden Phase 2 site.
- 4.2 Development of 35 social rented homes (Including 3 fully wheelchair accessible homes) and 14 mid-market homes to meet a range of housing needs.
- 4.3 Community benefits including the creation of new apprenticeship places, engagement with local schools, colleges and universities to provide work placements, NVQ qualifications and site visits.

5 Financial impact

- 5.1 On completion of the feasibility study Robertson has advised that the estimated cost of the pre-construction and construction works, under the Scape Major Works Scotland framework would be £5.88 million.
- 5.2 The Council's independent cost consultant, David Adamson & Partners (DAP) has reviewed the revised costs against market rates, costs for Dumbryden Phase 1, and other recent affordable housing tenders received by the Council. DAP have advised that the proposed costs are competitive and represent best value for the Council.
- 5.3 The total project budget requirement for the Council is £6.25 million, which includes the sum paid to the contractor for pre-construction and construction activities, developer contributions and professional fees.
- 5.4 The total project budget is in line with the costs included in the HRA five year capital programme, approved by Council on [21 January 2016](#).
- 5.5 The report outlines total capital expenditure plans of £6.25 million. 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 £6.25 million plus interest of £6.17 million, resulting in a total cost of £12.42 million based on a loans fund interest rate of 5.05%. The annual loan charges would be £0.409 million.
- 5.6 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.
- 5.7 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 21st Century Homes house building programme.
- 5.8 An allowance has been made for financial contributions to assist in the delivery of wider Council policies, enhance investment in the surrounding areas, and to satisfy planning requirements.

6 Risk, policy, compliance and governance impact

- 6.1 Monthly updates will be submitted to the 21st Century Homes Programme Board.
- 6.2 Within the Scape Major Works Scotland framework a gateway review process is in place, to highlight what has worked well and where improvements are required. A

gateway review will be undertaken prior to the start of the pre-construction activities and another before signing the delivery agreement.

- 6.3 In line with 21st 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 will be maintained by the developer and updated regularly by the client and developer to mitigate against significant risks to this project.

7 Equalities impact

- 7.1 Development of around 49 affordable homes as a second phase at Dumbryden will have a positive impact on equalities. The new housing will be accessible and energy efficient with 10% of social rented housing suitable for wheelchair users.

8 Sustainability impact

- 8.1 The affordable housing will be developed on brownfield land which has been earmarked for redevelopment for some time. The proposed new homes will be built to high standards in terms of energy efficiency and sustainability and therefore reduce fuel poverty.

9 Consultation and engagement

- 9.1 The results of the feasibility study have been conveyed to local Ward Councillors, Wester Hailes Community Council, Edinburgh Tenants Federation and the South West Locality Team.
- 9.2 Following Committee approval, the local community and ward councillors will be invited to a local drop-in event to consider and offer feedback on more detailed designs, prior to submission of a planning application.
- 9.3 As part of the statutory planning process, the scheme will be formally advertised to allow any interested party to comment on, or object to, the proposed development.

10 Background reading/external references

- 10.1 Report to the Finance and Resources Committee on 23 January 2018, 'Accelerating Housing Delivery and Brownfield Regeneration – Update Report'

- 10.2 Report to the Finance and Resources Committee on 3 November 2016, 'Land at Former Dumbryden Primary School, Dumbryden Drive'
- 10.3 Report to the Finance and Resources Committee on 2 February 2016, '21st Century Homes Small Sites Programme Delivery'

Paul Lawrence

Executive Director of Place

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11 Appendices

None.

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

The EDI Group Ltd - Transition Strategy

Item number	7.14
Report number	
Executive/routine	
Wards	All
Council Commitments	1, 2, 10 and 50

Executive Summary

This report provides an update on the progress made to date in closing down EDI Group Ltd and its subsidiary companies and bringing its development activities into the Council.

It follows the approval of the EDI Transition Strategy by the Housing and Economy Committee on 2 November 2017.

The EDI Group Ltd - Transition Strategy

1. Recommendations

- 1.1 Committee is asked to:
 - 1.1.1 Note the EDI Transition Strategy was approved by Housing and Economy Committee;
 - 1.1.2 Note the progress made to date on the transition;
 - 1.1.3 Note that the pension liability will be taken forward on an on-going basis rather than making a cessation payment subject to agreement by Council; and,
 - 1.1.4 Note that £1million from the Council's City Strategic Investment Fund will be set aside to cover any cash flow issues that may arise over the transition period.

2. Background

- 2.1 The Economy Committee and the Finance and Resources Committee considered reports on 7 February 2017 and 23 February 2017 respectively setting out the options available to the Council regarding the operating model for its property companies, including issues arising and proposed transitional arrangements. These reports were considered by members under a 'B' agenda at both meetings.
- 2.2 The outcome was an instruction to the Chief Executive and the Board of CEC Holdings, EDI, Parc Craigmillar, Waterfront Edinburgh and Shawfair Land Limited to commence implementation of Option 3 (In-House Model) as set out in those reports.
- 2.3 On the 2 November 2017 the Housing and Economy Committee approved the Transition Strategy for closing down EDI and moving projects in-house.

3. Main report

Transition Strategy

- 3.1 The agreed Transition Strategy is for EDI to undertake a process of corporate closure that will take place over approximately five years although operational activity within the company will reduce dramatically this year. There are no cash payments required from the Council to EDI under this approach. Assets (land and

cash) will be transferred to the Council in lieu of loan stock and share capital with a dividend paid at the end of the process.

Progress to Date

- 3.2 Since the report on 2 November 2017 Council officers have continued to work with EDI to implement the Transition Strategy.
- 3.3 Council officers have been identified to lead each of the projects that are transferring into the Council. In addition officers have also been identified to manage to the areas of work that will remain within the EDI Group Ltd and to provide support to the EDI Board in the running of the company as and when EDI staff are made redundant.
- 3.4 EDI staff have prepared handover packages and have been working through these with Council officers. Good progress is being made in this regard and it is anticipated that this process will be complete by May 2018. By this point in time, the majority of EDI projects will have been moved into the Council and will subsequently be moved forward under normal Council project management and approval processes.
- 3.5 It is likely that there will be some cases where the transfer of work into the Council will bring about the need for Transfer Under Protected Employment (TUPE). It is anticipated that this will be limited to four staff.
- 3.6 The work within EDI will have significantly reduced but there will still be work to be progressed. It is unlikely that this will be sufficient to justify the number of staff currently employed within EDI and this will be a matter for the EDI Board to consider. Following the approval of this report, the EDI Board will be advised that the Council is ready to provide the staff resource necessary to support the ongoing work of EDI.

Pension Liability

- 3.7 The approach being taken in managing the cash and assets within EDI during the closing down period, allows for the cost of the pension liability within the company to be met through a one off payment to buy out this liability. Council officers have taken forward discussions with Lothian Pension Fund to assess whether it would be possible, and preferable, to take forward the liability on an on-going basis. The outcome of this exercise is that taking on the pension liability on an on-going basis is the preferred approach.

City Strategic Investment Fund (CSIF)

- 3.8 In agreeing the strategy for the transition of EDI activities into the Council, the Housing and Economy Committee agreed to the, in principle, use of up to £1 million from the fund to ensure that any cash flow issues within EDI can be resolved

should such a problem arise. This is not anticipated and there should not be any need for a cash injection from the Council although it is considered prudent to set aside money for this purpose to avoid unexpected pressure on Council budgets. The fund will only be used if necessary and any expenditure will be recovered from EDI in due course.

4. Measures of success

- 4.1 The measures of success are that the transition strategy is delivered:
- In accordance with the objectives set;
 - On time and within cost parameters; and,
 - That projects continue to be effectively delivered in line with the Council's housing and economic objectives.
- 4.2 Progress against these measures will be tracked in 6 monthly reports to Housing and Economy Committee.

5. Financial impact

- 5.1 In November 2017 it was reported to Housing and Environment Committee that the Council would receive a total of £21.657m from the wind down of EDI. This was to take the form of cash and land receipts and resulting in the repayment of all outstanding loan stock and share capital, along with an estimated dividend of £4.4m. In addition, it was noted that the Council was expected to receive a further £7.5m in profit share from developments at Market Street and Brunstane.
- 5.2 The original modelling was carried out based on the balances sheets of August 2017 and reflecting the then estimates of land sales values. The modelling has been redone during February 2018 based on the latest December 2017 year-end balance sheets and revised estimates for land sales and pension liabilities. The latest modelling now shows the cash and land receipt increasing to £25.767m, resulting in repayment of all outstanding loan stock and share capital together with an estimated dividend of £8.5m. In addition, anticipated profit share from Market Street and Brunstane has increased to £9.158m. Appendix 1 sets out the revised financial position.
- 5.3 The financial implications of this process for the EDI Group Ltd have been modelled by EDI staff and checked by Council staff. In addition, the taxation implications of the strategy have been reviewed by EDI's external tax advisers, to minimise the risk of any unintended adverse impact on either EDI or the Council. Current modelling shows a healthy financial position with sufficient funds and assets available to allow the transition strategy to proceed as intended. However, given the nature of property market in which EDI operates, these forecasts are likely to change. The financial modelling will therefore be re-run on a regular basis.

- 5.4 It is not anticipated that any cash injection will be required and the transition strategy will be delivered through a managed process of corporate closure with assets transferring to the Council over the closure period.
- 5.5 While it is forecast that EDI will remain solvent throughout this process, it is prudent to set aside £1m from the CSIF to cover any cash flow issues that may arise. This money, if spent, will be repaid to the Council by EDI and there are sufficient proceeds from the closing down of EDI activity to cover this potential expenditure.

6. Risk, policy, compliance and governance impact

Risk

- 6.1 Risk – As stated above the Council is the parent company of EDI. The proposed closedown of EDI is managed process and while land and projects will transfer directly to the Council the financial and corporate elements of this process will remain within EDI. There is not considered to be any significant additional risk to the Council as a result of this strategy.
- 6.2 Reputational Risk – Some of the property companies have been in existence for over 20 years and there may be reputational issues with winding them up at this time. However, there has been significant change during this period with the Council in under unprecedented finance pressure. These reasons alone will mitigate against any reputational issues arising.
- 6.3 Policy - The risk around loss of momentum in key areas of regeneration such as Craigmillar, Granton and India Quay is mitigated by the way in which this strategy is phased and planned. There are arrangements in place to ensure a smooth transition and the continued delivery of projects in line with Council policy objectives.
- 6.4 Compliance – The processes in place will ensure that financial, legal, and employment rules are observed throughout this process.
- 6.5 Governance – The existing governance and control measures in place, both within the Council and EDI, are considered to be appropriate.

7. Equalities impact

- 7.1 There are not considered to be any negative equalities impacts arising from this report.
- 7.2 Any equalities or rights issues arising in relation to development projects will continue to be assessed through existing arrangements within EDI and the Council.

8. Sustainability impact

- 8.1 The impact 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 There are not considered to be any sustainability impacts arising from this report.
- 8.3 Any sustainability impacts in relation to development projects will continue to be assessed through existing arrangements within EDI and the Council.

9. Consultation and engagement

- 9.1 The Consultation will be undertaken and will continue to be undertaken concerning proposals that impact on staffing matters.
- 9.2 Consultation with Lothian Pension Fund has taken place and discussions will continue on the detail of the proposals to settle the pension liability.
- 9.3 Consultation and engagement with local communities and investment/development partners will continue to be taken forward in relation to individual projects, for example the Fountainbridge Sounding Board in relation to India Quay.

10. Background reading/external references

- 10.1 Report to the City of Edinburgh Council on 26 April 2012 entitled 4-8 Market Street;
- 10.2 Report to the City of Edinburgh Council on 13 December 2012 entitled [Council Companies](#);
- 10.3 Report to Finance and Budget Committee on 21 February 2013 on [4 to 8 Market Street: Proposed Disposal](#);
- 10.4 Report to Council on 27 June 2013 on [Rationalisation and Restructure of Council Arm's Length Companies – Progress Report](#);
- 10.5 Report to Council on 6 February 2014 on [Rationalisation and Restructure of Council Arm's Length Companies – Progress Report](#);
- 10.6 Report to Economy Committee on 22 May 2014 (B Agenda) on Fountainbridge: Disposal/Development Options;
- 10.7 Report to Finance and Resources Committee on 4 June 2015 (B Agenda) on Fountainbridge – Transfer of land to the EDI Group Limited
- 10.8 Report to Economy Committee on 7 February 2017 (B Agenda)
- 10.9 Report to Finance and Resources Committee on 23 February 2017 (B Agenda)
- 10.10 Report to Economy Committee on 2 November 2017 (B Agenda) on EDI Transition Strategy.

10.11 Link to EDI Website and Company Accounts - <http://edigroup.co.uk/information>

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11. Appendices

11.1 Appendix 1 – Financial Plan

Appendix 1

Financial Plan		
	Cost	Receipt
	£'000s	£'000s
Received by Council		
Land & buildings		3,895
Cash		21,872
<u>Total</u>		<u>25,767</u>
Offset against		
Intercompany Loans	1,229	
Loan Stock	7,538	
Share Capital	8,500	
<u>Total</u>	<u>17,267</u>	
Net Financial Position		
Net amount received from EDI		8,500
In addition the Council is contractually entitled to a profit share from Market Street and New Brunstane estimated at £9.158m spread over ten years.		

N.B. The movement in net receipt from £4.4m to £8.5m is as a result of an increased estimate for the sale of New Brunstane and the Council taking on the pension liability on an on-going basis.

Finance and Resources Committee

10.00 am, Tuesday, 27 March 2018

Award of Contract for the North Bridge Refurbishment

Item number	7.15
Report number	
Executive/routine	Executive
Wards	11 – City Centre
Council Commitments	15 and 16

Executive Summary

The Grade A listed North Bridge structure carries the A7 over Market Street and Waverley Station. Recent inspections have revealed the bridge to be in need of refurbishment in order to address health and safety concerns and safeguard the long-term use of this vital link to Edinburgh's city centre.

Balfour Beatty Civil Engineering Limited have submitted a tender to undertake the structural refurbishment works for a cost of £17,095,673.61. The total project cost is £22,300,000 for which sufficient funding is included in the Council's Capital Investment Programme.

This report seeks the approval of the Finance and Resources Committee to award the contract for the North Bridge Refurbishment to Balfour Beatty Civil Engineering Limited, through the Scape Group National Civil Engineering and Infrastructure Framework Agreement.

Award of Contract for the North Bridge Refurbishment

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 approves the appointment of Balfour Beatty Civil Engineering Limited to undertake the structural refurbishment of North Bridge for a target contract sum of £17,095,673.61.
 - 1.1.2 notes that the total cost of the project is £22,300,000.
 - 1.1.3 notes that any additional enhancement works which may be approved by the Transport and Environment Committee in the future can be added to this contract by the Executive Director of Place under the Contract Standing Orders, provided such additions are in accordance with the relevant procurement regulations and that sufficient funding is available.

2. Background

- 2.1 The Grade A listed North Bridge structure carries the A7 over Market Street and Waverley Station. Minimal maintenance work has been undertaken on the bridge since it was constructed and it needs a full structural refurbishment.
- 2.2 Further background information regarding the condition of the structure, the scope of refurbishment work required, the timescales involved and the potential implications of not carrying out this work, is provided in the report to the Transport and Environment Committee of [9 March 2018](#).

3. Main report

Procurement Process

- 3.1 As the work will be particularly challenging it was identified that early engagement with a suitably experienced contractor would be required to draw on their expertise of construction processes, buildability issues, programming and cost estimating, with a particular focus on the key interfaces with Network Rail and Waverley Station.

- 3.2 The Scape Group National Civil Engineering and Infrastructure Framework Agreement (the Framework) is a contract that the Council has access to and is particularly suited to projects requiring early engagement with a contractor as it clearly defines an initial pre-construction stage separated from the subsequent construction stage by a gateway review point.
- 3.3 Scape System Build Limited (trading as Scape Group) is a local authority-controlled company that has set up a number of framework agreements in respect of different types of construction work. Local authorities may call-off relevant contractors from a particular framework and all 'Delivery Agreements' called off are based on the industry standard NEC3 Conditions of Contract.
- 3.4 Balfour Beatty Civil Engineering Limited (BBCEL) were directly appointed to the Framework in July 2017 to undertake the pre-construction stage works. This included intrusive investigations to help establish the extent, cause and cost of any work required. A structural assessment of the bridge's load carrying capacity was also undertaken and this included checks to ensure the bridge can accommodate any future extension for the tram.
- 3.5 BBCEL is the single supplier appointed to the Framework following an open procurement process, which included both quality and financial award criteria, in accordance with EU procurement regulations. The mechanisms of the Framework are such that, through the pre-construction stage appointment, BBCEL were invited to submit a tender for undertaking the refurbishment works.
- 3.6 A tender of £17,095,673.61 has been received from BBCEL, on a Design and Build basis. This has been scrutinised by Currie and Brown (C&B), who has been appointed by the Council to undertake project management and cost consultancy services for the project.
- 3.7 The project Steering Group, which includes representatives from the Council's Finance, Legal and Procurement services, has provided oversight to the procurement and tendering process, including the pre-construction stage works. The Steering Group is in agreement with the proposed award of contract to BBCEL for the above amount.
- 3.8 A summary of the tendering and evaluation process is included in Appendix 1. It is recommended that this tender is accepted, for the core scope of works summarised in Appendix 2.

Timescales

- 3.9 Subject to the approval of the recommendations in this report, BBCEL would be formally appointed in April 2018.
- 3.10 The work would then commence on site in Summer 2018 and be complete in Autumn 2020.

- 3.11 The duration of the construction period is heavily dictated by the availability of railway possessions. These are typically short overnight periods when trains do not run and electrified lines can be isolated to allow works to be safely carried out overhead. In this location the working time available within a possession is typically only two hours.

4. Measures of success

- 4.1 A Steering Group has been put in place comprising of relevant senior Council staff, Network Rail and Waverley Station, to provide good governance.
- 4.2 The success of the project will be measured against its delivery in a safe manner in accordance with the project specification, within budget and programme.
- 4.3 BBCEL will be regularly monitored against 26 Key Performance Indicators (KPI's) which are pre-defined in the Framework. These include measures of performance against targets relating to health and safety, cost, programme and engagement of small and medium-sized enterprises (SMEs).
- 4.4 The KPI's also include requirements for community benefits with targets for local spend and employment of local labour.

5. Financial impact

- 5.1 BBCEL have submitted a tender of £17,095,673.61 to undertake the construction stage works.
- 5.2 The total cost of the project is £22,300,000 which, in addition to the tendered construction cost, includes the cost of external project management services, internal staff costs, costs payable to Network Rail and allowances for third party compensation and risk. It also includes the cost of £744,000 already allocated to the pre-construction stage works as a standalone contract appointment.
- 5.3 Funding of £22,300,000 has been allocated to the project through the Council's Capital Investment Programme.
- 5.4 BBCEL's people costs, overheads and profit elements were competitively tendered in their appointment to the Framework and are defined therein. The remaining costs within their tender are typically made up of sub-contracted work packages which have been market tested, thus ensuring that competitive prices and value for money can be demonstrated.
- 5.5 The cost associated with procuring this contract is estimated as £100,000, which includes a proportion of C&B costs to date as well as fees associated with using the Framework.

- 5.6 The nature of the project is such that the cost of construction works cannot be fixed. The main reasons for this are, firstly, that the number, and durations, of railway possessions cannot be guaranteed and this is outside the contractor's control. Secondly, the full extent of structural repairs will not be evident until all of the access scaffolding is in place.
- 5.7 As such the contract will be awarded on a Target Cost basis. This encourages innovation and incentivises the contractor to deliver the project below the Target Cost. The Council would then share in any savings against the Target Cost, as a result of the contractor's efficiencies (known as gain share). The Council would also pay a share of any increased costs incurred by the contractor (known as pain share), however the Council has put in place a contractual mechanism which means that any additional cost to be borne by the Council is capped and this amount, currently £256,435, is included as a contingency within the total project cost.
- 5.8 The target cost, and therefore the cap, can only increase if there are changes to the scope (for example additional defects which have not been identified in previous inspections) or other matters arise which are defined as being the Council's risk under the contract (for example exceptionally adverse weather). Again, a contingency amount is included within the total project cost to allow for such risks.
- 5.9 This report outlines a capital investment of £22.3m. If fully funded by loans fund advances the overall loans charges associated with this over a 20 year period would be a principal repayment of £22.3m and interest of £14.517m, resulting in a total cost of £36.817m, based on a loans fund interest rate of 5.1%.
- 5.10 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, 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 on the assumption of borrowing in full for this capital project.
- 5.11 The report to the Transport and Environment Committee on 9 March 2018 contains details of additional enhancements, which are currently being designed, that would visibly enhance the public realm in the vicinity of the bridge.
- 5.12 Subject to the availability of funding from other budgets, compatibility of timescales and the outcome of consultations, it may be of benefit to undertake these enhancements as part of the North Bridge Refurbishment project to take advantage of possible cost savings associated with having a contractor who is already fully mobilised and is familiar with working in the area.

- 5.13 The scope and extent of such enhancements will be subject to the approval of the Transport and Environment Committee following completion of the design and consultations. Any such additional works can be added to the North Bridge Refurbishment contract by the Executive Director of Place under the Contract Standing Orders, provided such additions are in accordance with the relevant procurement regulations.

6. Risk, policy, compliance and governance impact

- 6.1 A risk register is in place for the project. This is regularly reviewed and updated with the most significant risks reported to the project Steering Group.
- 6.2 Network Rail and Waverley Station are members of the project Steering Group which has allowed positive working relationships to be developed and should prove beneficial if issues arise. However, if Network Rail cancel or fail to make railway possessions available this could greatly decrease the productivity of the contractor and greatly increase the duration and cost of the project.
- 6.3 It is inefficient and impractical to access all areas of the structure, to identify defects, until such time as a full scaffold system is in place. Accordingly, the cost of the project could increase if the structure is in a worse condition than anticipated.
- 6.4 A contingency sum is included within the total project cost to allow for such risks.
- 6.5 Any delays to the programme for the appointment of the contractor would increase the cost of the project as a result of inflation and a loss of efficiency in retaining key members of the contractor's staff who are already familiar with the project.
- 6.6 There are many health and safety risks associated with this project, including working at height over an operational electrified railway. BBCEL, as a competent contractor with significant experience of delivering projects of a similar nature, size and complexity, will be capable of managing such risks.
- 6.7 The procurement methodology is compliant with the Public Contracts (Scotland) Regulations 2015.

7. Equalities impact

- 7.1 In line with good practice on construction sites, appropriate steps will be taken by the contractor to ensure that any temporary pedestrian diversions put in place do not unnecessarily disadvantage those with mobility issues.

8. Sustainability impact

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties and the outcomes are summarised below.

- 8.2 The KPI's defined in the Framework include targets for the amount of non-hazardous waste diverted from landfill and energy use during construction.
- 8.3 Restoring the structural integrity of the North Bridge will help achieve a sustainable Edinburgh by ensuring that this key route for public transport continues to be available for use, thus maintaining the current levels of social inclusion and equality of opportunity that are within the circle of influence of this project.

9. Consultation and engagement

- 9.1 Given the location of the bridge, Network Rail and Waverley Station are key project stakeholders and they have been fully engaged as members of the project Steering Group.
- 9.2 Consultation has also taken place with the Balmoral, Scotsman and Carlton Hilton hotels, plus building managers at Waverley Gate, regarding the structural refurbishment works, some of which will involve noisy construction operations.

10. Background reading/external references

- 10.1 [Scape Group Framework Agreement](#)

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11. Appendices

- Appendix 1 Summary of Tendering and Evaluation Process
- Appendix 2 Scope of Works

Summary of Tendering and Tender Evaluation Process

Contract	North Bridge Refurbishment (Ref: PL0133)
Contract Period	Summer 2018 – Autumn 2020
Estimated Contract Value	£17,095,673.61
Procurement Route Chosen	Use of national framework (Scape Group National Civil Engineering and Infrastructure Framework Agreement)
Invitations to Tender Issued	One (Balfour Beatty are the single supplier on the Framework)
Tenders Returned	One
Tenders Fully Compliant	One
Recommended Supplier	Balfour Beatty Civil Engineering Limited
Primary Criteria	<p>Compliant tender in accordance with the requirements of the Framework, including the Framework requirement for market testing of all sub-contract packages to demonstrate value for money.</p> <p>The appointment of BBCEL to the Framework itself followed a competitive OJEU compliant tender process with a 50:50 Quality:Price ratio.</p>
Evaluation Team	The tender was scrutinised by external advisors from Currie & Brown, who are undertaking project management and cost consultancy services, plus an experienced bridge engineer from the Place Directorate, who is undertaking the Technical Advisor role for the project.

Scope of Works

- Structural steelwork repairs.
- Grit blasting and repainting of the structural steelwork.
- Repairs to the cast iron façades.
- Grit blasting and repainting of the cast iron façades.
- Repairs to the concrete deck soffit.
- Improvements to the structural drainage systems.
- Replacement of expansion joints.
- Restoration of, and repairs to, the Kings Own Scottish Borderers War Memorial (located on the east plinth of the bridge's south pier).
- Installation of permanent platforms to improve access provisions for future inspection and minor maintenance.
- All temporary scaffolding required to access the structure.

Finance and Resources Committee

10am, Tuesday, 27 March 2018

Queensferry High School

Item number 7.16

Report number

Executive/routine

Wards

Council Commitments [28](#)

Executive Summary

The purpose of this report is to provide Members with an update on progress of the Queensferry High School project and seek authority to execute financial close.

This report also seeks authority for the Council to take up a 10% capital share in the DBFM Holdco set up for the project and approval of the appointment of the Head of Property and Facilities Management as a Director of DBFM Holdco and DBFM Co.

Queensferry High School

1. Recommendations

It is recommended that members of the Finance and Resources Committee:

- 1.1 note the progress on the Queensferry High School project;
- 1.2 approve the outcome of the Hub South East Stage 2 detailed design phase for the project, including the most up to date scheme, costs and programme;
- 1.3 grant authority to the Executive Director of Communities and Families and the Executive Director of Resources as appropriate to progress, negotiate and thereafter conclude final negotiations to finalise the commercial and cost inputs necessary for financial close, within the financial parameters set out in this report;
- 1.4 grant authority to the Executive Director of Communities and Families and the Executive Director of Resources as appropriate to execute and deliver the necessary documents on behalf of the Council at Financial Close as noted in Appendix 1;
- 1.5 grant authority to the Executive Director of Communities and Families to authorise enabling works of £0.646m in advance of completion of final negotiations in order to meet Scottish Government funding requirements;
- 1.6 approve the performance by the Council of the documents listed in Appendix 1;
- 1.7 agree that the Council take up a 10% capital share in the DBFM Holdco set up for the Queensferry High School Project, subject to legal due diligence;
- 1.8 approve the appointment, if required, of the Head of Property and Facilities Management or a delegate as a director of DBFM Holdco and DBFM Co on behalf of the Council;
- 1.9 approve the budget transfer of £1.277m from the Local Development Plan Action Plan provision in the Council's revenue budget framework; and
- 1.10 note that the project agreement and the funders direct agreement are certified contracts within the meaning of section 2 of the Local Government (Contracts) Act 1997 and shall meet the certification requirements within section 3 of the Local Government (Contracts) Scotland Act 1997.

2. Background

- 2.1 The Council received funding from the Scottish Government towards a replacement Queensferry High School in 2014 and a [report](#) to full Council approved that the project could proceed with an element of the funding package coming from the Council.
- 2.2 There was then a significant delay in the Scottish Government's Schools for the Future Programme due to issues with the funding and procurement mechanisms which had to be resolved at a European level. Once these were resolved an update [report](#) to full Council in November 2016 approved that the project could proceed and approved the following recommendation:

Agree a follow up report detailing the full cost implications to the Council resulting from the Scottish Government's revenue based funding model (which is now a requirement of the Schools for the Future Programme) will be submitted to the Finance and Resources Committee prior to financial close of the contract to deliver the new school.

The report also took account of the projected increase in pupil numbers resulting from new development in the South Queensferry area and approved an increase in capacity at the High School so that it will be able to accommodate 1,200 pupils.

This report provides the update required by Council and requests authority for appropriate officers to finalise and execute all the necessary legal documentation and contracts up to and including financial close in May/June 2018.

- 2.3 The business case for replacing the school relates to the present condition and the significant investment that is required to address this. The new facility is targeted for occupation in 2020 and will represent a truly modern and fully integrated community learning centre for the 21st Century.
- 2.4 Following a tender exercise in 2016, Galliford Try Building Limited trading as Morrison Construction Scotland was appointed by Hub South East Scotland Ltd (Hubco) to design and build the new school. Significant work has taken place since then and the proposals for the new school have been shared with the Project Steering Group, Project Board, local Members, staff, parents, pupils, Edinburgh Leisure and the wider community.
- 2.5 The main construction works are programmed to start in June 2018 with a completion date for the new building of March 2020. It is proposed to decant the school to the new facility during the Easter holidays 2020. Enabling works are to be carried out during April and May 2018 prior to the start of the main works. Planning consent for the project was granted on 29 January 2018.

3. Main report

Project Financial Close

- 3.1 Over recent months, the design team have worked closely with a number of stakeholders to develop the plans for the project to a stage where it is now ready to build.
- 3.2 This process has culminated in the production of a Stage 2 report which provides an overview of the final design proposals, project costs, risks, commercial/ legal matters and programme. The most up-to-date costs are detailed in section 5 of this report. The target programme for the project is detailed below:

<i>Milestones</i>	<i>QHS</i>
Enabling Works	April/May 2018
Financial Close	May/June 2018
Construction Start	June 2018
Construction Complete	March 2020
Occupation	March 2020
Phase 2 Demolition and Pitch start	April 2020
Phase 2 Completion	March 2021

- 3.3 The project is subject to a Stage 2 Key Stage Review by Scottish Futures Trust to validate it as a condition of the funding. This exercise is currently ongoing and will be complete during April/May 2018 in advance of the anticipated Financial Close date for the project.
- 3.4 A programme for the delivery of Community Benefits for the project is currently being finalised that will deal with targeted recruitment, local supply chains and learning/ teaching opportunities. A tracker will be produced to record agreed targets and monitor delivery.
- 3.5 Approval is now sought to reach formal financial close for the Queensferry High School Project. The financial implications for the Council are detailed in section 5 below.

Capital Share

- 3.6 Under recent changes to the ESA10 rules, the Council is now required to enter into a contract with a company known as the DBFM Co that sits outside of the Hubco corporate structure. The DBFM Co is wholly owned by a holding company – DBFM Holdco. This company is the vehicle in which the parties will invest. DBFM Holdco will be structured to have a nominal amount of share capital. This share capital will

be provided by the private sector development partners (60%), SFTi (10%), the Hub Community Foundation (20%), with the Council providing the remaining 10% at a cost of £10.

- 3.7 It is proposed to seek express authority for the Council to take the 10% capital share in the DBFM Holdco company that will be established for the new Queensferry High School project. Prior to taking up this capital share the Council will undertake thorough due diligence of the legal documents proposed by the funder to ensure the Council is protected from any financial risk.
- 3.8 As a 'B' shareholder in DBFM Holdco the Council may have an opportunity to appoint a Director to DBFM Holdco (in the event that the other B Shareholder – the hub Community Foundation – does not so appoint). As a Director of a limited company the individual appointed will be expected to operate under the responsibilities and fiduciary duties of a Director. Directors in DBFM Holdco will also be required to be Directors of DBFM Co.
- 3.9 In the event that the Council is expected to appoint a Director, it is expected by SFT that the person undertaking this role will be an officer of the Council and it is therefore proposed that the Head of Property and Facilities Management or an appropriate delegate be approved now to be appointed as Council nominated director if required in both DBFM Holdco and DBFM Co.

4. Measures of success

- 4.1 A new purpose-built Queensferry High School appropriate to the demands of learning in the 21st century for secondary age young people – the principles of inclusion and Getting It Right For Every Child have been applied to the design of this proposed facility developing an innovative, forward-looking provision meeting the learning needs of the community into the future.
- 4.2 The implementation of this proposal will help deliver the Council's commitment to improving educational outcomes and life chances for all young people. Purpose-designed facilities for sports, ICT, food and health technology, STEM subjects will support health and wellbeing and skills for learning, life and work.
- 4.3 Working in a well-equipped, state of the art environment is likely to have a positive impact on staff motivation and morale, enhance learners' pride in their school and impact positively on school ethos.

5. Financial impact

Capital Implications

- 5.1 The Scottish Government has agreed to provide financial support for the project. This support is originally calculated on a capital basis and then converted to an equivalent revenue stream over a period of 25 years. The funding is conditional on the Council agreeing to enter into a 25-year contract with DBFM Co to enter into a Design, Build, Finance and Maintain contract, commonly referred to as the DBFM Agreement. This form of contract is similar to the existing PPP contracts except

most of the responsibility now remains with the Council, for janitorial, cleaning, etc. Payments (which will relate to 'hard FM') are made for the twenty five-year period of the contract by way of monthly contributions known as the service payment (or unitary charge).

- 5.2 The new Queensferry High School is an identified project within the Council's approved 5 year capital programme. The capital cost for the building contract through Hubco is £39.978m. The Council will also incur £3.784m for additional works including a 3G pitch, IT and audio-visual equipment as well as professional fees. The total cost of the project is therefore estimated to be £43.762m.
- 5.3 The Scottish Government capital equivalent funding contribution is £26.247m which will be available in the form of revenue funding to support the delivery of the project. The remaining £17.515m needs to be met by the Council, of which £13.731m will be converted to revenue in order to make unitary charge payments over a 25-year period
- 5.4 The approved capital budget for the project amounts to £8.773m. In addition, it is anticipated that £4.585m will be generated from developers' contributions, based on a prudent assessment of what might be collected. A further £4.157m will be funded by an annual contribution of £0.300m from Council revenue budgets, as set out in paragraph 5.7 below.
- 5.5 The capital funding package for Queensferry High School is set out in the following table.

	<i>QHS £m</i>
Hubco Building Contract	39.978
Additional Costs	3.784
Total Project Cost	43.762
Funding from Scottish Government for QHS	26.247
Approved Capital Budget for QHS	8.773
Estimated Developers' Contributions	4.585
Further contribution supported by Council revenue budgets	4.157
Total Funding	43.762

Revenue Budget Implications

- 5.6 The standard DBFM schools project is based upon lifecycle and limited FM Services being delivered by the contractor. The FM services provided under the contract are predominantly maintenance of the building fabric, externals and built internal environment. Lifecycle Costs included within the contract include the replacement of key building components such as the boiler, windows and roofs. Other aspects of FM services including cleaning, catering, soft landscape and janitorial services will remain with the Council.
- 5.7 The combined annual cost for FM service and lifecycle services delivered by the contractor is estimated to be £0.475m. In addition £1.163m will be required to fund retained FM services as well as rates and utilities, amounting to total running costs of £1.638m per annum. As noted in paragraph 5.4, a further £0.300m is required to fund the capital element of the project, which takes the total annual funding requirement to £1.938m. The current property budget for Queensferry High School is £0.661m, leaving a further £1.277m to be funded from other revenue budgets.
- 5.8 The revenue budget framework approved by Council on 22 February 2018 provides funding for £1m of additional revenue impacts arising from the Local Development Plan Action Plan from 2020/21 onwards, with indicative further sums included in subsequent years. In addition, the framework includes £2.5m for the revenue consequences of capital investment for the Local Development Plan Action Plan from 2020/21. As this project has expanded secondary school capacity to address the impact of anticipated housing development, it is recommended that £1.277m from this £3.5m be allocated to it. It should be noted that the financial impact of the Local Development Plan Action Plan and the construction of Wave 4 schools will be reassessed as part of the budget process going forward so that appropriate financial provision is included in the revenue budget framework.

Learning and Teaching Costs

- 5.9 The expanded high school will require additional staffing and other educational costs, compared with existing budgets. These costs will be demography funding provided for in the Council's long-term financial plan.

6. Risk, policy, compliance and governance impact

Legal

- 6.1 The Council has specialist legal advisors for the project and is liaising with the Council's own in-house legal services.

Human Resources

- 6.2 There are no HR issues arising from this paper.

Financial

- 6.3 In order to meet project timescales the Council needs to authorise enabling works of £0.646m. In the event that the project does not proceed, the Council will need to meet these costs from Communities and Families revenue budgets.
- 6.4 The funding package assumes developer contributions of £4.6m. These contributions are based on anticipated development. In the event that development does not proceed as projected, or that a lower level of contributions is negotiated additional funding will be required.

Risk Implications of Adopting the Recommendations

- 6.5 A full risk register has been developed for the project and is reviewed monthly at the Project Investment Steering Group.

Risk Implications of Rejecting the Recommendations

- 6.6 This would result in a substantial delay for the project and compromise its deliverability within the Scottish Government's funding timescales. This could result in the withdrawal of the project from the Schools for the Future Programme.
- 6.7 The existing school would require significant investment to keep it operational for the long term.
- 6.8 The reputation of the Council could be adversely affected.

7. Equalities impact

- 7.1 Promoting inclusion, improving accessibility and provision for effective Additional Support for Learning are explicit objectives within the design of the new school.

8. Sustainability impact

- 8.1 The delivery of a new Queensferry High School will bring about a range of environmental benefits. Much of this will be delivered through the design process which must adhere to local and national building standards that cover a range of sustainability features including renewable energy, heat retention, natural ventilation, recycling strategy and improved waste management.

9. Consultation and engagement

- 9.1 There has been extensive consultation with all stakeholders during the development of this project. This included informal engagement with staff, parents, children and young people and the wider community on their aspirations for the projects and gathering feedback on early concept designs.

10. Background reading/external references

- 10.1 Reports to Council [25 September 2014](#) and [24 November 2016](#).

Alistair Gaw

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11. Appendices

Appendix 1 - **Execution of Documents on Behalf of the Council**

Execution of Documents on Behalf of the Council

Queensferry High School

The financial close process for the project requires a great deal of legal documentation which involves not just the council and DBFM Co, but Funder agreements and back to back subcontractor agreements. Financial close permits the entering into of the necessary contract documentation. The external financial, legal and technical advisers will be responsible for verifying and certifying to council officers that the key aspects represent an appropriate and bankable deal for the council. Financial close can only take place once approvals are in place from a number of parties, including:

- DBFM Co board;
- The Council; and
- Scottish Futures Trust.

Final negotiations will take place by the appropriate officers and also put in place named proper officers who would execute the project agreement documentation. This ensures that the council's governance is in place to expedite matters prior to financial close to allow the funders due diligence to proceed with a financial close.

It is therefore proposed that authority is granted to [[INSERT POSITION(S) (as proper officer for the purposes of signing documents as required by Schedule 2 of the Requirements of Writing (Scotland) Act 1995, and as proper officer for the purpose of the issue of certificates under and in terms of the Local Government (Contracts) Act 1997 and the Local Authorities (Contracts) (Scotland) Regulations 1997) to execute on behalf of the Council], all documents relating to the transaction as follows:

- (1) the project agreement for Queensferry High School between The City of Edinburgh Council and DBFM Co. This is based on the SFT's standard form hub DBFM project agreement and sets out the contractual arrangements for all parties;

- (2) the funders direct agreement for Queensferry High School between The City of Edinburgh Council, DBFM Co and the Security Agent (Nord) granting the Security Agent security interests and step in rights over DBFM Co's rights in certain circumstances;
- (3) the services direct agreement for Queensferry High School between The City of Edinburgh Council, DBFM Co and the FM Contractor (Galliford Try Building Limited);
- (4) the construction direct agreement for Queensferry High School between The City of Edinburgh Council, DBFM Co and the Building Contractor (Galliford Try Building Limited);
- (5) the independent tester contract for Queensferry High School between The City of Edinburgh Council, DBFM Co, the Independent Tester ([]), Norddeutsche Landesbank Girozentrale and the Contractor (Galliford Try Building Limited) for quality assurance services during the construction phase;
- (6) the collateral warranties for Queensferry High School from any other party in favour of The City of Edinburgh Council as appropriate to protect the Council against insolvency of any of the contracted parties;
- (7) a certificate to be issued pursuant to the Local Government (Contracts) Act 1997;
- (8) any other ancillary document relating to the project.

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Contract Awards and Procurement Programme (Period 1 July – 31 December 2017)

Item number	7.17
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report updates the Finance and Resources Committee on the scope of contracts awarded across the Council in the period 1 July to 31 December 2017. This provides visibility of those contracts awarded under 'Delegated Authority' (with a value below the threshold requiring Committee approval), inclusive of direct contract awards not openly tendered due to specific circumstance permitted in regulation and those awarded following a waiver of the Council's Contract Standing Orders (CSOs).

This report also seeks to provide the Committee with visibility of the forthcoming procurement programme in relation to higher value contracts across the Council.

Contract Awards and Procurement Programme (Period 1 July – 31 December 2017)

1. Recommendations

- 1.1 It is recommended that the Committee notes the contents of this report and the authorisations made under delegated authority. A further report will be submitted to the Committee in six months' time.

2. Background

- 2.1 The Commercial and Procurement Services (CPS) Team, within the Finance Service, is responsible for fostering commercial efficiency and best value across the Council. In support of this approach CPS:
- supports service areas to procure goods, works and services (with a focus primarily on contracts of a value of £25,000 and above); and
 - provides governance, process and oversight for contracting and purchasing (including the Council's Contract Standing Orders (CSOs)).
- 2.2 The programme of commercial delivery embraces significant volumes of activity and quantities of stakeholders across the breadth of the Council. The scope of this work includes working with services in relation to:
- £532.5m of third party spend across the Council during 2016/17;
 - Management of the Contracts Register - currently 975 live contracts;
 - 6,530 suppliers, 1,099 requisitioners and 682 approvers on the Council's purchasing system (Oracle); and
 - Moving to a new procurement system, as part of the Council's new IT infrastructure.
- 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 enable Executive Directors to fulfil their responsibilities for all contracts tendered and subsequently awarded by their directorates. Commercial Partners from CPS work alongside service management teams and procurement delivery teams, as business partners, to assist with relationship management and to support services with their contract planning.

- 2.4 The Council's CSOs outline approval thresholds for contracts for goods, works and services, identifying both the level of award which can be undertaken and those with the authority to award. Above certain financial values, decisions are made by the Finance and Resources Committee on a case by case basis.
- 2.5 In specific circumstances, direct awards can be made through negotiated procedures without prior publication or application of statutory exemptions, where it is not practically viable to 'tender' the requirement.
- 2.6 A waiver of CSOs to allow a contract to be awarded or extended without competitive tendering may also be required in certain circumstances. Inevitably, there will always be a need for a select amount of waivers, however each is evaluated on its own merits and is only approved if fully justifiable and in the best interests of the council. Such circumstances continue to be tightly controlled and scrutinised.
- 2.7 Historically the Committee had expressed concerns in relation to the number of contracts awarded through a waiver of CSOs, this information is included within this report and will be reported regularly, at least every six months, to the Committee.
- 2.8 The report also offers opportunity to aid understanding of the forthcoming procurement programme for high value goods/services across the Council.

3. Main report

- 3.1 This report updates the Finance and Resources Committee of the scope of contracts awarded across the Council in the period 1 July to 31 December 2017 and provides visibility of the forthcoming procurement programme in relation to higher value contracts across the Council.

Table 1 Contracts awarded under Delegated Authority

Directorate	Total Contract Value 1 July 2017 – 31 December 2017
Chief Executive	£856,750*
Communities and Families	£2,750,189
Health and Social Care	£321,798
Place	£33,865,443
Resources	£1,416,274
De Minimus Value Contracts (Under £25,000)	£753,788
	£39,964,242

(*excludes income contract)

- 3.2 The report offers insight in respect of those contracts awarded under waiver arrangements (both under delegated authority and through committee approval) of the Council's Contract Standing Orders (CSOs) in the relevant period and these are summarised by directorate in Table 2 below.

Table 2 Contracts awarded under the Waiver of Standing Orders

Directorate	Total Waiver Value under Delegated Authority 1 July 2017 – 31 December 2017	Total Waiver Value by Committee Approval 1 July 2017 – 31 December 2017
Chief Executive	£61,458	-
Communities and Families	£467,479	-
Health and Social Care	-	-
Place	£572,356	£800,000
Resources	£744,722	-
De Minimis Value Contracts (Under £5,000)	£42,554	-
	£1,888,569	£800,000

- 3.3 The CSOs state that contracts above a threshold of £1m for supplies and services and £2m for works require approval from the Committee prior to award.
- 3.4 The table in the executive summary of this report provides an overview of the total quantity and value of contracts awarded in period, and a full breakdown is provided in Appendix 1. Given their de minimis value, contracts under the value of £25,000 have not been listed in Appendix 1. For information, there were a total of 63 contracts awarded with a value of less than £25,000 which account for £753,788 in total.
- 3.5 Appendices 2 and 3 detail the quantity and total financial value of contracts awarded under waiver of Council CSOs. It should be noted that in several cases the actual spend will be below this value. Given their de minimis value, waivers under the value of £5,000 have not been listed in Appendix 2. For information, there are a total of 11 Waivers awarded with a value of less than £5,000 which account for £42,554 in total.

- 3.6 CPS will continue to monitor and challenge submitted waivers to ensure continuing compliance with the CSOs. The Waivers and Contract Register provides the required visibility of spend enabling CPS to highlight to directorates where plans for procurement require to be put in place without delay.
- 3.7 To enable insight into the forthcoming procurement programme in relation to higher value contracts across the Council, the top thirty three (by value) expected procurements are detailed within Appendix 4. It should be noted this is based on current knowledge and is subject to change as each individual procurement strand progresses.

4. Measures of success

- 4.1 Contracts awarded are compliant with the Council's Contract Standing Orders and procurement legislation.
- 4.2 The number of waivers of Contract Standing Orders required as a result of poor planning continues to reduce over time to a level commensurate with the volume and diverse array of goods, works and services across the Council.
- 4.3 The Council's Contract Register is kept updated by services and management information is comprehensive and accurate.
- 4.4 Best Value continues to be demonstrable and achieved.

5. Financial impact

- 5.1 Through a robust procurement strategy, proactive management of contract cycles, aggregating spend and carrying out competitive procurement where appropriate, this should support commercial efficiency and achieve Best Value for Council contracts.

6. Risk, policy, compliance and governance impact

- 6.1 Due to the significant volumes of activity and numbers of stakeholders involved in purchasing and procuring goods, services and works, 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.
- 6.2 A waiver denotes a departure from the CSOs. There may be an increased risk if the Council has departed from EU or Reform Act 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 or obligations.

- 6.3 Co-production resource and timescales will need to be factored in to overall timescales for services to re-procure contracts to ensure early planning and avoidance of waiver requirements.

7. Equalities impact

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

8. Sustainability impact

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

9. Consultation and engagement

- 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

Council Contracts – Planning Update: Report to Finance and Resources Committee, May 2015

Council Contract Planning Update - review of Waivers over £100,000: Report to Finance and Resources Committee, January 2016

Contract awards and Procurement Programme (Period 1 January – 30 June 2017): Report to Finance and Resources Committee, September 2017

Operational Governance: Review of Council Contract Standing Orders and Guidance on the appointment of Consultants – Report to Council, December 2017

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11. Appendices

Appendix 1 – Contracts awarded under Delegated Authority

Appendix 2 – Contracts awarded under the Waiver of CSOs by Delegated Authority

Appendix 3 – Contracts awarded under the Waiver of CSOs by Committee approval

Appendix 4 – Procurement Programme – Anticipated High Value Procurements
Across the Council

Appendix 1 – Contracts awarded under Delegated Authority

The following relate to the period 1 July - 31 December 2017.

Income Contracts

Date	Directorate	Chief Executive	Value
	Supplier	Contract Description	
09/11/2017	City Centre Posters Limited	Arts and Cultural Advertising Structures	-£156,642

Goods and Service Contracts (Contract value £25,000 - £1M)

Date	Directorate	Chief Executive	Value
	Supplier	Contract Description	
18/07/17	Republic of Media Ltd	Media Planning, Buying and Associated Services	£464,791
7/08/17	Sacro	Community Justice Peer Support and Mentoring	£291,019
24/08/17	Progressive Partnership Ltd	Edinburgh People Survey 2017	£58,960
4/09/17	Ipsos Mori	Employee Survey 2017	£41,980
			£856,750

Date	Directorate	Communities and Families	Value
	Supplier	Contract Description	
11/07/17	NAS Services Ltd	Placement and Specialist Autistic Care for a Young Person	£99,473
05/08/17	East Park	Residential Care and Specialist School Education for a Young Person	£691,330
08/08/17	Proludic Limited	Playground installation; Sensory equipment for Special School.	£83,052
15/08/17	WMD Private Hire	Individual support - Home to School Transport	£25,000
23/08/17	P1 Contractors Limited	Creation/replacement of Fox Covert Wildlife Garden	£26,085
15/12/17	HP	Mobile Client Devices	£999,977
18/7/17	Edinburgh Steiner School	Child placement – final 4 terms	£37,000
20/10/17	Young Scot	Specialist service/membership for young people	£51,272

1/07/17	A Wilderness Way Limited t/a	Emergency care placement – Social care for needs of child	£317,000
1/09/17	Active Ark Limited	Emergency care placement – Social care for needs of child	£390,000
22/11/17	Drake Music Scotland	Creative Scotland funded music provision for schools	£30,000
			£2,750,189

Date	Directorate	Health and Social Care	
	Supplier	Contract Description	Value
01/10/17	Oxgangs Care	Day care services for older people	£152,798
15/11/17	Matrix Fife	Supply of daily living assistive equipment aids to people in their homes	£69,000
3/07/17	Legrand Jontek	Annual maintenance and report of Answerlink system and moving of the system to alternative site.	£100,000
			£321,798

Date	Directorate	Place	
	Supplier	Contract Description	Value
01/09/2017	David Narro Associates Ltd	Structural Reports for Numerous Council Properties	£40,000
01/09/2017	AHR Architects Limited	Noise Consultant Survey Works	£25,000
01/09/2017	Ramboll UK Limited	Fire Engineering Services	£72,500
22/09/2017	WYG Environment Planning Transport Ltd	George Street and First New Town Public Realm Project	£289,400
20/07/2017	Matthew Clark Wholesale Ltd	Alcoholic & Non-alcoholic Beverages for resale at venues and events.	£996,000
14/09/2017	NewAuto Ltd t/a MOGO UK	Secure Disposal of Taxi Licence Plates	£337,919
26/07/2017	Balfour Beatty Civil Engineering Ltd	North Bridge Refurbishment Pre-Construction Stage	£393,751
10/08/2017	AHR Architects Limited	Professional Services Framework	£25,000
07/09/2017	Ramboll UK Limited	Fire Erosk assessments for high rise buildings	£72,500

12/09/2017	Roberts Partnership Ltd	Supply of Business Gateway one to many Pre-start-up/Start-up/Early Stage Growth Services	£74,250
20/09/2017	Ross Quality Control Limited	Clerks of Works - St. John's Primary School	£40,650
22/09/2017	Xylem Water Solutions UK Ltd	Maintenance of Pumping Stations and the Provision of Telemetry Monitoring for Edinburgh Flood Prevention Schemes	£46,000
27/09/2017	David Narro Associates Ltd	Structural Engineering Services	£40,000
28/09/2017	Ramboll UK Limited	Fire Engineering Services, Sovereign House	£72,500
24/11/2017	Blackwood Partnership Limited	Mechanical & Electrical consultant to survey council owned properties	£250,000
01/11/2017	Licence Check Limited	Driver Licence Checking Service	£41,900
23/10/2017	NL Productions Limited	Lighting installation Christmas events in the city (art installation)	£80,000
01/11/2017	Aecom Limited	Geo-technical and Environmental Site Assessment of Granton Forthquarter and North Shore Sites, Edinburgh	£280,752
14/08/17	Andy Scott (Public Art) Limited	Unique work of Art – Mortonhall	£234,500
25/09/17	AOC Holdings Ltd	Specialist conservation work on 4 cannons	£26,580
31/10/17	IMG Artists UK Ltd	Procure artists for usher hall (to be offset by sales)	£192,750
			£3,631,952

Date	Directorate	Resources	
	Supplier	Contract Description	Value
07/07/2017	BGL Rieber	Supply of Food Transport Containers	£25,740
18/07/2017	Erith Contractors Limited	Sciennes Primary School - Asbestos Remediation Works	£37,987
27/11/2017	Denby Catering Equipment Limited	Servery Equipment for Boroughmuir High School	£45,592
03/11/2017	Gardiner and Theobald LLP	H2285 Duncan Place Resource Centre Refurbishment - Quantity Surveyor	£30,337

21/11/2017	Wildcat Applications Limited	Web based system to capture, monitor and report on Procurement Benefits	£25,000
			£164,656

Works Contracts (Contract value £25,000 - £2M)

Date	Directorate	Communities and Families	
	Supplier	Contract Description	Value
		nil	
			£

Date	Directorate	Place	
	Supplier	Contract Description	Value
01/07/2017	Boston Networks Ltd	CCTV Upgrade Works to Moredun House and Lochview Court	£47,563
11/07/2017	McGill Electrical Ltd	Kitchen and bathroom upgrades of domestic council properties as part of the HAM Framework, Lot 5.	£1,959,172
12/07/2017	Balfour Beatty Civil Engineering Ltd	Surface Treatments 2017/18	£1,724,781
12/07/2017	Leiths Scotland Limited	Manor Place Carriageway Resurfacing	£33,324
26/07/2017	Tarmac Trading Limited	Maybury Road Carriageway Resurfacing	£42,000
01/08/2017	Maclay Civil Engineering Ltd	Craigleith Drive Carriageway Resurfacing	£59,416
01/08/2017	BAM FM Ltd	Pumps/Tank Servicing Works	£50,000
01/08/2017	McGill Electrical Limited	E2017-18A Electrical Lot 1 - Rewire And Refits	£726,471
01/08/2017	McGill Electrical Limited	E2017-18B Electrical Lot 1 - Rewire And Refits	£601,546
01/08/2017	McGill Electrical Limited	Smoke Alarm Works S2017-18A	£290,693
01/08/2017	McGill Electrical Limited	Smoke Alarm Works S2017ao-18B	£303,325

07/08/2017	McGill Electrical Limited	The installation of smart storage heating and related miscellaneous works to 137 domestic properties in 2 multi-storey blocks.	£417,346
10/08/2017	P1 Solutions Ltd	EWf - Essendean Terrace - Courtyard Improvements	£127,196
11/08/2017	APT Controls Ltd	Supply and Installation of Electric Vehicle Charge Points	£62,718
14/08/2017	Balfour Beatty Civil Engineering Ltd	Burnshot Bridge Pre-construction Project Order	£42,788
01/09/2017	Nicholson Brothers	Smoke Alarm Works S2017-18C	£267,735
01/09/2017	Nicholson Brothers	Smoke Alarm Works S2017-18D	£186,323
20/09/2017	Lafarge Tarmac Trading Limited	Great Junction Street	£287,893
19/06/2017	Lafarge Tarmac Trading Limited	A7 (Old Dalkeith Road) - Phase 1 - Carriageway Resurfacing	£292,576
12/06/2017	Lafarge Tarmac Trading Limited	A7 (Old Dalkeith Road) - Phase 3 - Carriageway Resurfacing	£94,396
24/07/2017	Leiths Scotland Limited	Redhall Crescent - Carriageway Resurfacing	£55,243
01/08/2017	Lafarge Tarmac Trading Limited	Baberton Mains Drive - Carriageway Resurfacing	£27,231
02/10/2017	Lafarge Tarmac Trading Limited	Redford Road - Footway & carriageway Resurfacing	£99,743
31/10/2017	Maxi Construction Ltd	Bin Room Fire Suppression Works	£97,965
23/10/2017	Hy Spec Services Ltd	Tanfield Footbridge - Maintenance Painting and Anti Slip Application.	£27,241
23/10/2017	Lafarge Tarmac Trading Limited	Chesser Avenue Resurfacing	£410,000
01/11/2017	CCG Scotland Ltd	Seafeld Depot	£3,351,016
13/11/2017	Lafarge Tarmac Trading Limited	Learmonth Gardens - Carriageway Resurfacing	£45,927
05/10/2017	Balfour Beatty Civil Engineering Ltd	Burnshot Bridge Demolition Delivery Agreement	£656,194

04/12/2017	McGill Electrical Limited	Kitchen & bathroom upgrades of council properties as part of the HAM Framework, Lot 5 – phase 4	£1,479,511
08/01/2018	McGill Electrical Limited	Kitchen & bathroom upgrades of council properties as part of the HAM Framework, Lot 5 – Granton area	£1,914,108
20/11/2017	McGill Electrical Limited	Kitchen & bathroom upgrades of council properties as part of the HAM Framework, Lot 5 – West Pilton	£1,621,876
08/01/2018	McGill Electrical Limited	HAM Framework, Lot 5 Kitchen & Bathroom Upgrade, Wardieburn & Ferry Road	£1,563,940
16/10/2017	Lafarge Tarmac Trading Limited	West Pilton Bank - Footway Reconstruction	£44,535
29/01/2018	Lafarge Tarmac Trading Limited	Various locations in Wards 12/13 - Carriageway Resurfacing	£93,600
15/11/2017	Leiths Scotland Limited	A90 - Footway/Cycleway New Construction	£90,860
08/01/2018	MacKenzie Construction Ltd	20mph Phase 4	£321,886
08/01/2018	Lafarge Tarmac Trading Limited	Turnhouse Road - Carriageway Resurfacing	£77,722
29/01/2018	Lafarge Tarmac Trading Limited	Western Corner - Traffic Signals Upgrade and carriageway resurfacing	£283,761
08/01/2018	Maclay Civil Engineering Limited	Calder Road - Phase 2 - Carriageway Resurfacing	£67,479
25/09/2017	Lafarge Tarmac Trading Limited	Montague Terrace - Footway Reconstruction	£52,698
04/09/2017	Lafarge Tarmac Trading Limited	Mansfield Road - Carriageway Resurfacing	£129,652
06/11/2017	Maclay Civil Engineering Limited	Calder Road - Phase 1 - Carriageway Resurfacing	£207,248
08/01/2018	Keepmoat Regeneration Limited	HAM Framework, Lot 5: Kitchen & Bathroom Upgrade, West, City Centre & Leith	£1,355,413
10/02/2018	P1 Solutions Ltd	Murieston Park Fencing	£43,105
08/01/2018	Thames Valley Controls Ltd	Lift Monitoring System Upgrade works Citywide	£283,730
03/01/2018	McLaughlin and Harvey Limited	Multi Trade Framework Lot 8: Bankhead Waste Depot	£8,214,545

£30,233,491

Date	Directorate	Resources	
	Supplier	Contract Description	Value
06/07/2017	P1 Solutions Ltd	Ground works, permeable surfacing	£41,701
05/09/2017	Morris & Spottiswood Ltd	Museum of Childhood works	£124,440
13/09/2017	MacKenzie Construction Ltd	Colinton Dell Pathway	£123,426
14/09/2017	G Grigg & Sons	Roofing & Rainwater Works - Newington Library	£123,632
23/11/2017	Arthur McKay Ltd	Boiler room upgrade	£175,359
23/11/2017	Cornhill Building Services Ltd	Fire upgrade Programme Contract 1	£214,204
23/11/2017	Cornhill Building Services Ltd	Fire upgrade programme Contract 2	£156,348
28/11/2017	Morris & Spottiswood Ltd	Special Schools Maintenance & Repair Stage 1	£261,849
01/12/2017	Hearthworks Limited	Supply and install yurt structure for kindergarten nursery	£30,659
			£1,251,618

Appendix 2 – Contracts awarded under the Waiver of CSOs by Delegated Authority

The following relate to the period 1 January - 30 June 2017.

Waiver No.	Directorate	Chief Executive	
	Supplier	Justification for waiver	Value
1033	Cyrenians	Short extension of food preparation services for homelessness support. Additional time for formal notice.	£21,639
1036	Experian Ltd	Provisions of IT marketing data – discounted price offer providing best value outcome	£27,049
1080	Lisson Grove Benefits Program Ltd	Best interest of the Council for continuity of benefits information until ICT approach implemented.	£5,600
1088	The Union Advertising Agency Ltd	In Best interest of the Council to maintain continuity for marketing brand on council website.	£7,170
			£61,458

Waiver No.	Directorate	Communities and Families	
	Supplier	Justification for waiver	Value
1011	Friends of The Award	Support for Duke of Edinburgh Award via Outdoor centre – partnership agreement and business plan monitored to maintain best value.	£6,000
1005	SSEN	Best approach due to remote access to outdoor centre – movement of power cables to improve safety, local contractor.	£14,729
1014	Columba 1400	Best interest in provision of Leadership course for young looked after children – specialist programme.	£15,000
1016	AMV	Purchase of playground equipment – using external funding.	£6,252
1027	Health Agency/Edible States CIC	Natural play workshops and play design funded by PEF, one-off below threshold – scope to join PEF framework at next entry point	£18,880

1030	MBS Solicitors	Legal Fees for Kinship care application – discretionary support provided in best interest of the outcome	£18,000
1031	Caber Enterprises Ltd	Subscription fees for music resource base – linked to arts funding offering best solution for the service	£7,890
1037	Meadowbank Music Therapy	Best interest Music Therapy provision under PEF – advised of next Framework entry point for future need.	£5,940
1059	Circle Supporting Family In Scotland	Best interest Provision of family support worker – PEF – advised of next Framework entry point	£12,269
1052	Rogers Education Consultancy Ltd	Best interest of council to provide Specialist teaching staff training event	£7,500
1050	Royal Voluntary Service	Best interest to provide continuity of support for housebound service users of libraries.	£17,200
1051	Spartans Community Stadium Limited	Best Interest of Council to support vulnerable young people using PEF.	£7,990
1054	APCOA Parking UK Ltd	Best interest to meet operational need.	£7,296
1055	Oxford University Press	Best value decision based on benchmark information.	£5,114
1074	Spartans Community Stadium Limited	Best interest of council to provide coaching provision.	£7,000
1075	Licketyspit Ltd	Best interest to cover project costs in relation to Scottish Attainment Challenge bid.	£20,000
1078	Osiris Educational Woodhall Spa Limited	Best interest of council for Teacher training funded by PEF, scope to join PEF framework at next entry point.	£249,000
1089	Rock Trust	Best interest of Council to seek alternative solutions to accommodation needs for asylum seekers	£23,937
1090	Rock Trust	Best interest of Council to seek alternative solutions to accommodation needs for asylum seekers	£5,400
1092	XN Leisure Systems Ltd	Licence and maintenance of leisure IT systems – best interest for continuity.	£5,082
1095	ADAPT Scotland	Best Interest to provide Specialist foster care support provision	£7,000
			£467,479

Waiver No.	Directorate	Health and Social Care	
	Supplier	Justification for waiver	Value
			£nil

Waiver No.	Directorate	Place	
	Supplier	Justification for waiver	Value
1010	Sansom & Company (Redcliffe Press Limited)	Production of art catalogue – anticipated 90% recovery of cost via sales – specialist requirement.	£9,800
1023	Buggy Walks	Additional organised walks on previous contracted arrangement; grant funded project of less than 6mths.	£5,000
1020	Mott MacDonald Limited	Software support costs, traffic; proprietary rights.	£22,046
1024	Toptix (UK) Limited	Software support costs, ticketing; proprietary rights.	£10,480
1026	Cameron Presentations Ltd	One off bespoke furniture purchase – specialist supply	£5,251
1043	Sustrans Ltd	Annual review of cycle needs in the City funded via grant programme.	£15,000
1034	Changeworks Recycling Ltd	Short term direct award for confidential waste recycling due to supplier withdrawal.	£24,000
1032	K3 Retail Systems Group Limited	Retail system maintenance – annual fee; proprietary rights	£6,552
1130	Groundwater Dynamics Ltd	In best interest of council Unique drainage system to resolve surface water problems	£65,000
1038	Lowmac Alloys Limited	Temporary arrangement for disposal of waste paint until new solutions researched	£45,000
1044	Cameron Forecourt Ltd	Fuel mgt. and maintenance system – Best interest to provide continuity of service to complete scoping on new requirement.	£24,000
1045	Harrison Stevens Limited	Design project expertise secured in best interest for continuity purposes.	£7,125
1053	Financial Times Limited	Best interest subscription to support investment intelligence	£9,000
1056	Willis Towers Watson	Best interest to provide continuity of Insurance advice on zero waste project.	£20,000

1057	Now Wireless Limited	Best interest to maintain business continuity - ICT hardware and software support to traffic system.	£5,500
1063	Lowmac Alloys Ltd	Additional cost of specialist waste disposal – Best interest to complete task and end arrangement	£120,000
1064	Whistl Scotland Limited	Best interest to meet urgency requirements for one off requirement for tenant consultation	£7,577
1065	Kardex Systems UK Ltd	Best interest to provide Annual maintenance of filing system (exclusive)	£5,500
1066	Integrated Skills (UK) Limited	Best interest to provide technical support on procured IT system	£50,000
1067	Storm ID Ltd	Best interest to ensure continued maintenance and hosting of Council website.	£7,500
1069	Legion Scotland	Best interest to provide contribution to event for the City	£6,050
1072	7N Architects LLP	Best interest for continuity to provide further service requirements for housing services	£20,138
1081	Hays Specialist Recruitment Ltd	4 temp drivers which contracted supplier could not supply	£16,555
1083	Supplier Development Programme	Best interest of the Council to support SME access public contract opportunities – membership fee -2yrs.	£30,000
1084	Planning Aid for Scotland	Best interest to subscribe to services (upto 5yr) to improve planning support to citizens	£25,000
1094	SSE/TESGL Limited	Best interest to provide repair to meters for billing	£10,282
			£572,356

Waiver No.	Directorate	Resources	
	Supplier	Justification for waiver	Value
1001	Synergie Training Limited	Bespoke CDM training - best value tested on previous quote; Direct Award best interest	£6,620
1004	Forum Interactive Ltd	Training provision for HR programme, best interest additional award not included in original scope	£47,200
1007	Taskforce Finishing and Handling Ltd	Print finishing requirement from locally sourced supplier – best interest due to responsiveness.	£50,000

1008	Whistl Scotland Limited	Print & mail service continuity – best interest as service due to transfer to new Supplier	£50,000
1025	Health Management Ltd	Extension of Occupational Health contract beyond original term – best interest for continuity until new contract in place	£190,000
1029	Yakara Limited	Text message service pilot extension – best interest while future scope established	£12,000
1040	SGS UK Ltd	Further accreditation of ISO QMS – best interest for continuity until future scope established	£5,000
1041	In Tend Ltd	Best interest to retain system - Annual Subscription and maintenance fees for system	£12,022
1048	Physicare Limited	Short extension to existing contract for continuity of service until new Framework active	£24,750
1131	Inform Communications PLC	Best interest short extension due to delays in new phone system.	£58,361
1039	Olsson Fire & Risk UK Limited	One off additional service requirement in best interest due to established knowledge of the sites.	£33,850
1047	Maybo Ltd	Best interest to provide continuity of training provision, until new framework starts	£11,150
1049	Calm Training Ltd	Best interest to provide continuity of training provision, until new framework starts	£10,000
1060	Cotterill	Best interest to provide short 6 mth extension of awards service until closed	£11,000
1062	Langstane Press Limited	Best interest to purchase same bespoke lockers as previous procurement	£15,225
1070	SHE Software Ltd	Best interest to maintain system and provide continuity until alternative software is implemented	£29,744
1076	Wider Plan Ltd	Best interest of the Council to maintain continuity until impact of government childcare voucher scheme known	£13,400
1082	Scott Moncrieff	Best interest to maintain continuity for given future reduced service requirement for CEC Holdings	£150,000
1093	Forum Interactive Consultants Limited	Best interest to provide continuity of training provision, until new framework starts	£14,400
			£744,722

Appendix 3 – Contracts awarded under the Waiver of CSOs by Committee approval

The following relate to the period 1 July - 31 December 2017.

Waiver No.	Directorate	Place	Value
	Supplier	Justification for waiver	
1128	Cofely Ineo Bridge Radio Ofcom Arquiva	Best interest of the Council to extend maintenance arrangements supporting continuity of service until replacement solution implemented	£800,000

Appendix 4 – Procurement Programme – Anticipated High Value Procurements Across the Council

Note: the names of the projects are working titles only. The projects are at different stages of development and therefore subject to change.

Project / Requirement	Service s/Good s/Work s S/G/W	Directorate	Anticipated Value (Range)	Estimated Award Date
Housing Framework – to provide additional mechanism for future housebuilding contracts	W	Place	£5m and above	Jun 2018
Meadowbank Sports Centre and infrastructure package	W	Resources/ C&F/Place	£5m and above	Oct 2018
Asset Management – service for repairs and maintenance of council facilities	S/W	Resources	£5m and above	Nov 2018
Shared House Framework – to provide short term homelessness accommodation	S	CE	£5m and above	Jun 2018
Edinburgh Trams extension – main contract	W	Place	£5m and above	Nov 2018
Edinburgh Trams extension – swept path contract	W	Place	£5m and above	Nov 2018
Homelessness prevention – accommodation for young people	S	CE	£5m and above	Sept 2019
Transport Infrastructure	W	Place	£5m and above	Mar 2020
Integrated Employability Services	S	Place	£5m and above	Dec 2018
Fleet – future hire	S	Place	£5m and above	Sep 2018
ASL and Family Support Service	S	C&F	£5m and above	Jun 2018
Housing Property Framework	W	Place	£5m and above	Sep 2019
Passenger Transport Framework	S	Place	£5m and above	Sept 2018
Supported Bus Service Framework	S	Place	£2m up to £5m	Jun 2018

Subsidised Social Childcare services	S	Place	£2m up to £5m	Oct 2018
Letting, Management and Maintenance – support Homes programme	S	Place	£2m up to £5m	Jun 2018
Homelessness Services – Private Rented Sector Accommodation	S	CE	£2m up to £5m	Jun 2018
Framework options for children's disability services under SDS Options 2 or 3	S	C&F	£2m up to £5m	Jun 2018
Furnishings for Temporary accommodation units	G	CE	£2m up to £5m	Mar 2018
Disposal of waste for housing property services	S	Place	£2m up to £5m	Sep 2018
Garden Aid – gardening services	S	Place	£2m up to £5m	Nov 2018
Residential Schools framework	S	C&F	£2m up to £5m	Jun 2018
Bus tracker system	S	Place	£2m up to £5m	Sep 2018
Security Guarding	S	Resources	£0.5m up to £2m	Nov 2018
Supply of Sandwiches	G	Resources	£0.5m up to £2m	Oct 2018
Insurance services	S	Resources	£0.5m up to £2m	Mar 2018
Summer Attraction 2018-20	S	Place	£0.5m up to £2m	Mar 2018
Advices Services	S	CE	£0.5m up to £2m	Aug 2018
Sign Language services	S	Resources	£0.5m up to £2m	Dec 2018
Lift & Escalator Inspections	W	Place	£0.5m up to £2m	Jun 2018
Drainage Jetting	W	Resources	£0.5m up to £2m	Jul 2018

Heritage Lighting & Post top lanterns	W	Place	£0.5m up to £2m	Apr 2018
Business Gateway workshops	S	Place	£0.5m up to £2m	Mar 2018
27 additional projects (+ 42 with nil value yet)	S/G/W	various	£25k to £0.5m	Mar – Feb 2019

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Gas Mains Deed of Servitude – East Mains, Ingliston

Item number	8.1
Report number	
Executive/routine	Routine
Wards	1 - Almond
Council Commitments	N/A

Executive Summary

This report seeks Committee approval for the discharge of two deeds of servitude, in so far as they fall within land owned by the Council, and the granting of a replacement deed of servitude relating to the essential diversion of a section of 250mm gas main approximately 75m in length, to allow for a gas valve to be de-commissioned.

Gas Mains Deed of Servitude – East Mains, Ingliston

1. Recommendations

- 1.1 That Committee:
 - 1.1.1 Approves the discharging of two deeds of servitude and granting a replacement deed of servitude in favour of Scotland Gas Networks PLC under the terms and conditions outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 Scotland Gas Networks PLC (SGN) require to de-commission a gas valve located in land partially owned by the Council at East Mains, Ingliston. The right to lay and maintain the gas main was contained within 2 deeds of servitude granted by the Council, or its predecessors, in 1964 and 2012.

3. Main report

- 3.1 Committee approval is sought to discharge two deeds of servitude and to grant a replacement deed of servitude relating to the essential diversion of a section of 250mm gas main approximately 75m in length to allow for a gas valve to be de-commissioned.
- 3.2 The works have been deemed urgent by SGN and therefore access to the land has been granted through a temporary licence.

4. Measures of success

- 4.1 The north-western edge of the city will continue to benefit from an adequate gas supply network.

5. Financial impact

- 5.1 The Council's legal and administrative costs will be met by Scotland Gas Networks PLC.
- 5.2 The Council will receive a grassum of £1,000 in respect of the right to enter and carry out work on Council land.

6. Risk, policy, compliance and governance impact

- 6.1 Should Committee not approve the recommendation of this report, Scotland Gas Networks PLC would most likely obtain non-exclusive rights of occupation via a statutory route.

7. Equalities impact

- 7.1 There are no negative equality and rights impacts arising from this report.

8. Sustainability impact

- 8.1 There will be a small increase in carbon emissions owing to the use of plant and machinery during the execution of the works but maintenance of the existing network will help to ensure continuity of gas supply in this part of the city.

9. Consultation and engagement

- 9.1 Edinburgh Trams have been consulted with regard to this proposal and Ward Members have been informed of the recommendations contained within this report.

10. Background reading/external references

- 10.1 N/A.

Stephen S. Moir

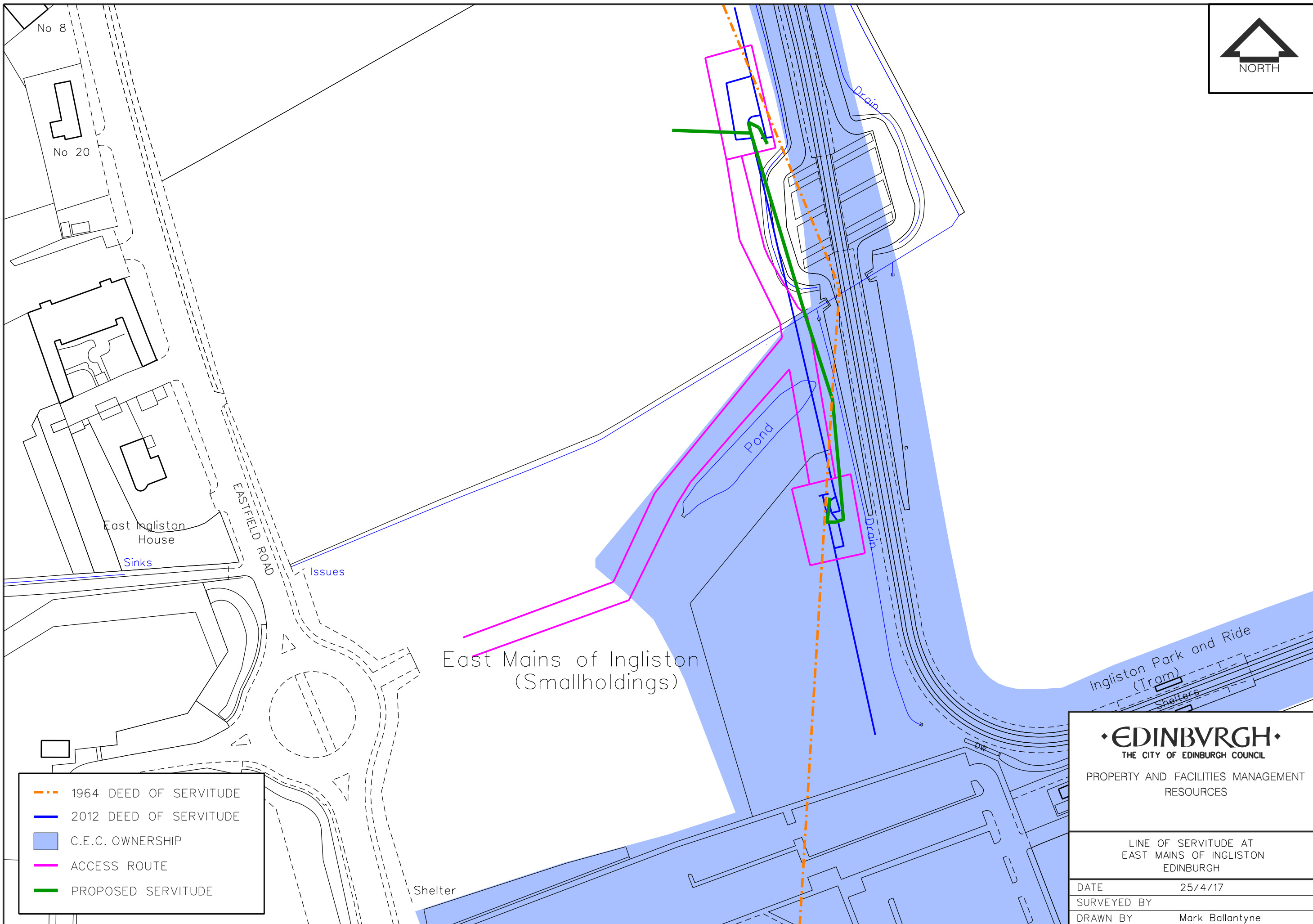
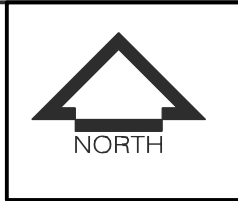
Executive Director of Resources

Contact: Lesley Dryden, Estates Surveyor

E-mail: Lesley.dryden@edinburgh.gov.uk | Tel: 0131 529 4600

11. Appendices

- 11.1. Appendix 1 – Location Plan



- 1964 DEED OF SERVITUDE
- 2012 DEED OF SERVITUDE
- C.E.C. OWNERSHIP
- ACCESS ROUTE
- PROPOSED SERVITUDE

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
LINE OF SERVITUDE AT EAST MAINS OF INGLISTON EDINBURGH	
DATE	25/4/17
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1774

SITE PLAN

SCALE 1:1250

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Land to rear of 80 Niddrie Mains Road – Proposed Disposal

Item number	8.2
Report number	
Executive/routine	Routine
Wards	17 – Portobello/Craigmillar
Council Commitments	C1,C2,C10,

Executive Summary

On 5 September 2017, the Finance and Resources Committee approved the award of two contracts to CCG (Scotland) Ltd for the development of new affordable homes in Craigmillar, including plots within Craigmillar town centre.

In close proximity to the town centre plots, the developer has also acquired the former Lidl site and has secured a legal position on the adjoining former motor trade site. The Council retain ownership of a former access which extends into part of the site from Niddrie Mains Road and an approach has been made by CCG (Scotland) Ltd for the purchase of this land as an adjoining landowner.

The report seeks approval to dispose of the land to CCG (Scotland) Ltd on the terms and conditions outlined in the report.

Land to rear of 80 Niddrie Mains Road – Proposed Disposal

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the sale of 0.14 hectares (0.34 acres) of land to the rear of 80 Niddrie Mains Road to CCG (Scotland) Ltd on the terms and conditions as outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 The Council and its housing association partners have delivered more than 700 homes in Craigmillar with plans at an advanced stage for a further 600 more. The £89m already invested in new homes has transformed the area, creating jobs and supporting the local economy.
- 2.2 On 21 January 2016, the Council approved plans to expand the 21st Century Homes housebuilding programme to 8,000 homes over the next 10 years.
- 2.3 On 5 September 2017, the Finance and Resources Committee approved the award of two contracts to CCG (Scotland) Ltd (CCG) to deliver 269 new homes in Craigmillar through the Housing Revenue Account. The new homes are to be built on two Council owned sites at Greendykes (plot G) and Craigmillar town centre (plots 12 -15). These sites form part of the approved masterplan for the area.
- 2.4 To the south of plots 12 - 15, within Craigmillar town centre, CCG has acquired the former Lidl store and is in a contract to purchase a former motor trade site to the east. These areas are shown shaded blue on the plan attached at Appendix 1.
- 2.5 While the former motor trade site has access rights, the Council retain the ownership of the access road into the land, extending to 0.14 hectares (0.34 acres), as shown shaded yellow at Appendix 1. CCG has approached the Council with an offer to purchase this area of land, as an adjoining proprietor, so that it can be included within the wider residential development.

3. Main report

- 3.1 CCG are proposing to develop 134 affordable residential units across the assembled site in conjunction with Places for People. This development is in keeping with, and will contribute to, the Council's wider aspirations for the regeneration of Craigmillar.
- 3.2 Provisional terms have been agreed with CCG as follows:
- Subjects: 0.14 hectares (0.34 acres) at the rear of 80 Niddrie Mains Road;
 - Purchaser: CCG (Scotland) Limited;
 - Purchase Price: £120,000;
 - Conditions: Site investigation, utility capacity and suitable drainage connection; and
 - Costs: CCG will pay the Council's reasonably incurred costs to a maximum of £2,500.
- 3.3 The proposed purchase price has been calculated on a pro rata basis of the purchase price that CCG are paying for the former motor trade site. On a gross basis this equates to a rate of circa £350,000 per acre. This is considered to represent market value as the land, in isolation, has no alternative development value.
- 3.4 The Council and CCG are also exploring a second phase of the development which could result in the delivery of additional affordable housing units and retail accommodation fronting on to Niddrie Mains Road. Any subsequent proposed transaction would be the subject of a separate report to the Committee.

4. Measures of success

- 4.1 The sale of the land to CCG will allow the assembly of a residential development site that will deliver 134 affordable units of mixed tenure which will further enhance the regeneration of Craigmillar.
- 4.2 A narrow strip of land which is of little use to the Council will be brought into economic use.

5. Financial impact

- 5.1 A capital receipt of £120,000 will be received by the General Fund in financial year 2018/19, subject to the conditions of the offer being purified.

6. Risk, policy, compliance and governance impact

- 6.1 Due to the historic use of the property on either side of the Council owned land for the motor trade there is a risk that the ground investigation report will result in the purchaser seeking a deduction from the purchase price for abnormal costs. This would be negotiated by Estates Officers to ensure best value for the Council prior to any disposal being finalised.
- 6.2 By undertaking a direct disposal of the site to CCG, other developers would be prevented from making a bid for the site. Such a disposal is justified as the configuration of the site dictates that there is little economic benefit to the Council. In addition, it is also not capable of being developed in isolation of the surrounding site.

7. Equalities impact

- 7.1 By agreeing to an off market disposal of the properties, potential purchasers will be prevented from submitting a bid. However, any disposal will be at market value and the site is not capable of being developed in isolation.
- 7.2 The direct disposal will result in a development of a mix of housing types to meet a range of housing needs.
- 7.3 Developing new affordable housing has a positive impact on poverty and inequality targets by increasing access to housing for people with low incomes.
- 7.4 Development works following the disposal of the land will cause disturbance to neighbouring residents. Guidelines for any construction works in terms of recognising the proximity of adjoining properties will form part of the conditions attached to any planning permission.

8. Sustainability impact

- 8.1 CCG are committed to the development of homes to a high standard in terms of energy efficiency and sustainability.

9. Consultation and engagement

- 9.1 Ward elected members have been made aware of the recommendations of the report.

10. Background reading/external references

- 10.1 Report to Finance and Resources Committee, 5 September 2017 – Craigmillar Regeneration – Award of Contracts
[http://www.edinburgh.gov.uk/download/meetings/id/54653/item_720 -
_craigmillar_regeneration_-_award_of_contracts](http://www.edinburgh.gov.uk/download/meetings/id/54653/item_720_-_craigmillar_regeneration_-_award_of_contracts)

Stephen S. Moir

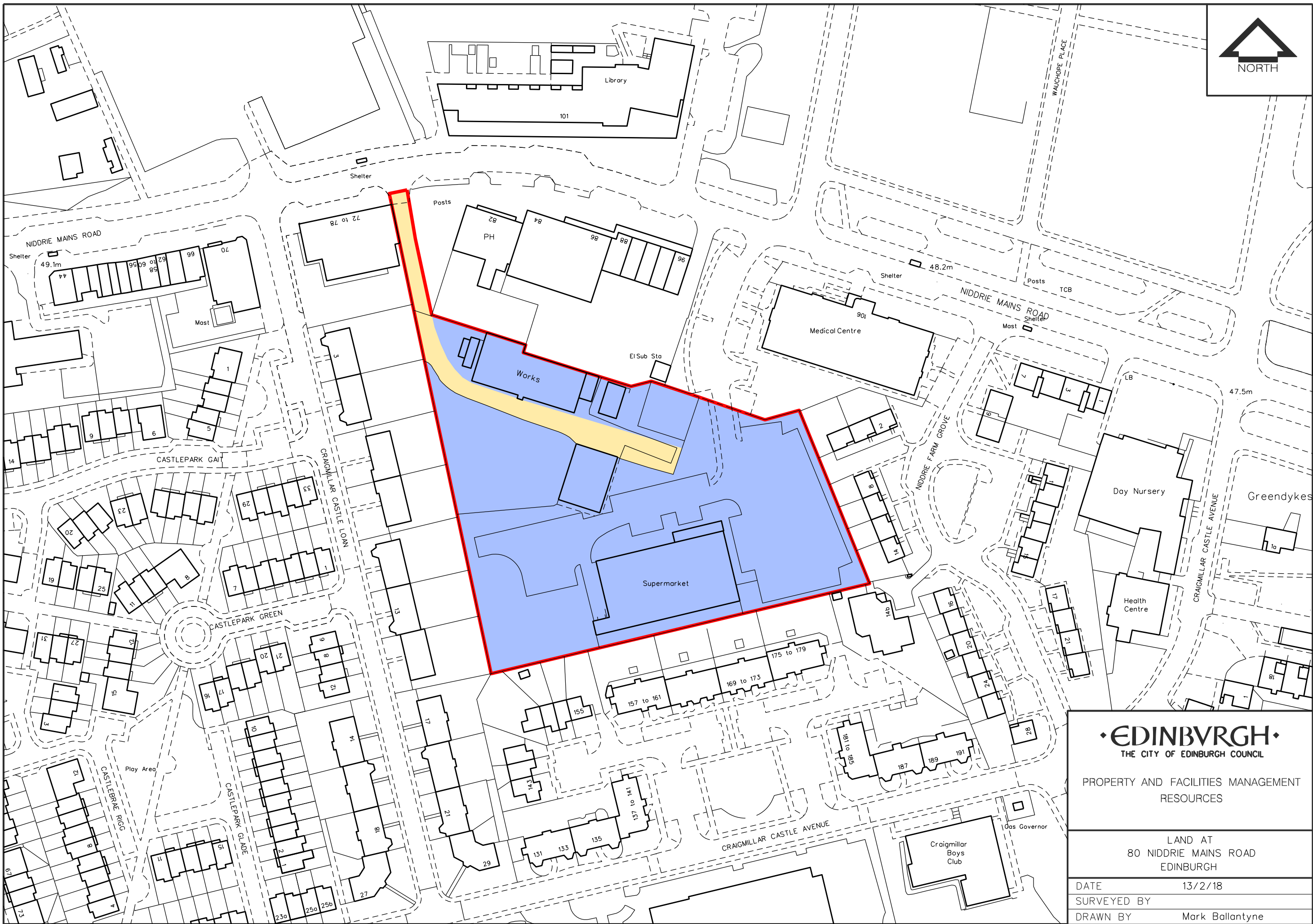
Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

11. Appendices

Appendix 1 – Location Plan



• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

LAND AT
80 NIDDRIE MAINS ROAD
EDINBURGH

DATE	13/2/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1911

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Proposed Lease Extension at 107/109 Morrison Street, Edinburgh, EH3 8BY

Item number	8.3
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2 , C3

Executive Summary

The retail unit at 107/109 Morrison Street is let to Elizabeth Jones & Aleksandra Slowiak and trades as Wee Coffee Bar.

The lease is due to expire on 28 April 2018 and the tenant has requested a 10 year lease extension.

The report seeks approval to grant a 10 year lease extension to Elizabeth Jones & Aleksandra Slowiak on the terms and conditions outlined in the report.

Proposed Lease Extension at 107/109 Morrison Street, Edinburgh, EH3 8BY

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 10 year lease extension to Elizabeth Jones & Aleksandra Slowiak of retail premises at 107/109 Morrison Street, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 The shop premises at 107/109 Morrison Street extends to 47.53 sq m (512 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since April 2013, Elizabeth Jones & Aleksandra Slowiak have been the tenants at the property operating a coffee / sandwich bar business. The current rent is £8,500 per annum.
- 2.3 The existing lease expires on 28 April 2018 and the tenant has requested the Council grant a 10 year lease extension to be effective from 29 April 2018.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: Retail shop at 107/109 Morrison Street, Edinburgh;
- Lease Extension: 10 years from 29 April 2018 until 28 April 2028;
- Break Option: Tenant only break option on the 5th anniversary;
- Rent: £9,500 per annum;
- Rent Reviews: Reviewed on each 5th anniversary of the term to open market value;
- Use: Class 1 Retail Use;
- Repairs: Full repairing and maintaining obligation;
- Other terms: As contained in the subjects existing lease; and

- Costs: Tenant responsible for all Council costs.
- 3.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

4. Measures of success

- 4.1 Granting a 10 year lease extension will allow the tenant to continue their long term financial planning of the business and in turn sustain employment for their workers.

5. Financial impact

- 5.1 An increase in rent of £1,000 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a 10 year lease extension to the existing tenant who has been trading from the property since April 2013. 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 lease extension, it will ensure that the tenant can continue to plan both financially and in terms of developing their business. This will allow them to continue to provide a high level of service and experience to their employees and customers. This directly links to an enhancement of the following rights namely (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified in that by offering a lease extension to the current tenant rather than placing the retail premises on the open market, there is the potential impact on others who may want to lease the shop. However, given the established nature of the tenants business and the possible effect on it if a lease extension is not granted, the impact is considered to be proportionate and justifiable.

8. Sustainability impact

- 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 retail use for many years and is to continue to be in retail use.

9. Consultation and engagement

9.1 Not applicable.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

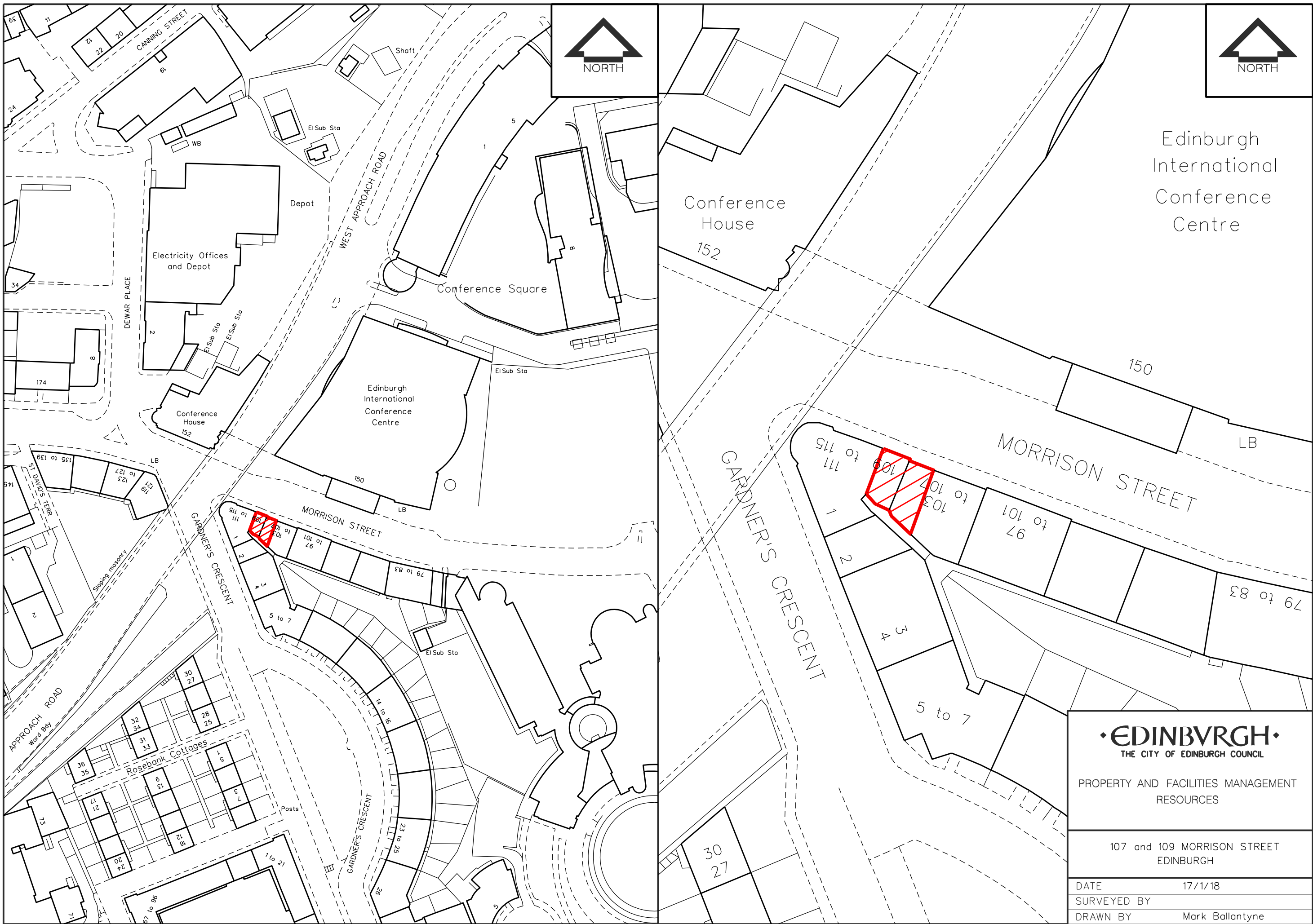
Executive Director of Resources

Contact: Iain Lamont, Investment Portfolio Officer

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

11. Appendices

Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

107 and 109 MORRISON STREET
EDINBURGH

DATE	17/1/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1887

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

West Granton Road, Edinburgh – Proposed Disposal and Excambion

Item number	8.4
Report number	
Executive/routine	Routine
Wards	4 - Forth
Council Commitments	C1 , C2 , C10

Executive Summary

National Museums Scotland have their principal storage and collection centre at West Granton Road, Edinburgh. In order to extend their storage capacity and provide new visitor facilities, National Museums Scotland approached the Council to acquire an adjoining site in Council ownership.

As part of the transaction, the Council will acquire two small areas of land, within the ownership of National Museums Scotland to assist with the wider regeneration and place making of Granton Waterfront.

This report seeks authority to progress the transaction with National Museums Scotland on the terms outlined in the report.

West Granton Road, Edinburgh – Proposed Disposal and Excambion

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the sale and acquisition of land at West Granton Road under the terms and conditions outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 The National Museums Collection Centre at Granton is occupied by National Museums Scotland (NMS) and provides a home for many items that are not currently on display in museums.
- 2.2 With support from the Scottish Government, NMS wish to expand the facility to provide sufficient capacity for further years of collection growth. In addition, NMS will be able to provide greater public access and promote National Museums Collection Centre (NMCC) as a Centre of Excellence in the conservation, access to and research of Collections.
- 2.3 To facilitate this expansion, NMS approached the Council to acquire the area shown shaded blue on the plan (attached as appendix 1) which extends to approximately 0.57 hectares (1.41 acres). It is a brownfield site enclosed by palisade fencing and subject to regular fly-tipping.
- 2.4 Following the acquisition by the Council of the National Grid Forthquarter site, a masterplan will be prepared for the regeneration of the Granton Waterfront area. To assist with site assembly for future development the Council are seeking to acquire two small areas of land from NMS and this will form part of the transaction.
- 2.5 The sites, shown shaded green and pink on the plan extend 0.08 hectares (0.20 acres) and 0.03 hectares (0.08 acres) respectively.

3. Main report

- 3.1 To assist with determining the purchase price both parties instructed Ryden LLP to produce an independent valuation for each of the three sites. The land which NMS

wish to acquire from the Council was valued at £500,000. The two sites which the Council will acquire from NMS have a combined value of £55,000. Through an excambion (swap) for the land being acquired, the Council will receive a capital receipt based on the net position between the values.

3.2 Consequently, provisionally agreed terms for the disposal of the property are as follows:

- Purchaser: National Museums Scotland.
- Price: £445,000 (net price of £500,000 less £55,000 for the sites being acquired by the Council.
- Conditions: The offer is unconditional.
- Fees: Each meet their own costs.

3.3 As part of the transaction the Council will acquire two small areas of land from NMS. This land will be acquired by the General Fund and will subsequently be transferred to the Housing Revenue Account prior to development commencing on the Granton Waterfront Regeneration. Any future transfer will be reported to Committee separately.

4. Measures of success

- 4.1 The new facilities at NMCC will also provide potential working synergies with other organisations including a future opportunity for the Council to occupy space for storage and public access to historic collections and city archives.
- 4.2 The Council's acquisition of land from NMS will optimise the future Granton Waterfront regeneration and place making.

5. Financial impact

- 5.1 A capital receipt of £445,000 will be received in financial year 2018/19.
- 5.2 The Council will be released of maintenance and security costs of a brownfield site.

6. Risk, policy, compliance and governance impact

- 6.1 Should the transaction not complete there is a risk to the long term development objectives in the Granton area to both the Council and NMS.

7. Equalities impact

- 7.1 A direct disposal of the Council land will prevent other potentially interested parties from submitting a proposal. This is justified as the sale will be at market value, NMS own the adjoining site and the Council will acquire areas of land that will assist in the future Granton regeneration.

The redevelopment of this site will create economic benefits to Edinburgh and will provide residents with greater access to Museum and Archive collections.

- 7.3 The wider regeneration of the Waterfront will deliver new affordable housing which has a positive impact on poverty and inequality targets by increasing access to housing for people with low incomes.

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 Ward elected members have been made aware of the recommendations of the report.

10. Background reading/external references

Not applicable.

Stephen S. Moir

Executive Director of Resources

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11. Appendices

Appendix 1 – Location Plan

Finance and Resources Committee

10.00am, Tuesday 27 March 2018

Lauriston Castle Lodge House and Garden – Proposed Lease – referral from Culture and Communities Committee

Item number	8.5
Report number	
Wards	All
Council Commitments	

Executive summary

On 30 January 2018, the Culture and Communities Committee considered a report on the lease of Lauriston Castle Lodge House and garden to the Edinburgh Forget-Me-Not-Garden-Trust. The report is now referred to the Finance and Resources Committee for approval.

Lauriston Castle Lodge House and Garden – Proposed Lease – referral from Culture and Communities Committee

Terms of referral

- 1.1 On 30 January 2018, the Culture and Communities Committee considered a report on the lease of Lauriston Castle Lodge House and garden to the Edinburgh Forget-Me-Not-Garden-Trust. The Committee agreed to:
 - 1.1.1 Approve the location of the Edinburgh Forget-Me-Not sensory garden and 'drop-in' centre within the Lauriston Castle Lodge House and Garden.
 - 1.1.2 Recommend the approval of a 25 year lease to Edinburgh Forget-Me-Not-Garden Trust (EFMNGT) of Lauriston Castle Lodge House and its garden on the terms outlined in the report by the Executive Director of Place and on other necessary terms and conditions proposed by the Executive Director of Place.
 - 1.1.3 Refer the report by the Executive Director of Place to the Finance and Resources Committee for approval.

For Decision/Action

- 2.1 The Culture and Communities Committee has referred the report to the Finance and Resources Committee for approval.

Background reading / external references

Culture and Communities Committee – 30 January 2018

Laurence Rockey

Head of Strategy and Insight

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Links

Appendices

Report by the Executive Director of Place

Culture and Communities Committee

10.00am, Tuesday, 30 January 2018

Lauriston Castle Lodge House and Garden – Proposed Lease

Item number	8 . 4
Report number	
Routine	
Ward	Almond
Council Commitments	47; 52

Executive Summary

The City of Edinburgh Council is working in partnership with the Edinburgh Forget-Me-Not Garden Trust to create a community sensory garden and 'drop in' centre for people with dementia, and their carers, within the Lauriston Castle Gate Lodge.

Edinburgh Forget-Me-Not Garden Trust is a locally-based charity established to provide a city-wide facility for those suffering from dementia and their carers.

To enable the Edinburgh Forget-Me-Not-Garden Trust to apply to major external funding bodies, the Gate Lodge and garden needs to be secured by the Trust. It is proposed to lease the property to the Edinburgh Forget-Me-Not-Garden Trust for a period of 25 years.

Culture and Communities Committee

Lauriston Castle Lodge House and Garden – Proposed Lease

1. Recommendations

- 1.1 To approve the location of the Edinburgh Forget-Me-Not sensory garden and ‘drop-in’ centre within the Lauriston Castle Lodge House and garden.
- 1.2 To recommend the approval of a 25 year lease to Edinburgh Forget-Me-Not-Garden Trust (EFMNGT) of Lauriston Castle Lodge House and its garden on the terms outlined in this report and on other necessary terms and conditions proposed by the Executive Director of Place.
- 1.3 To refer this report to the Finance and Resources Committee for approval.

2. Background

- 2.1 Over 800,000 United Kingdom residents are currently living with dementia and by 2021 that number is expected to increase to 1,000,000. Dementia is a major health concern, not just to the National Health Service (NHS) but to society. Although treatments are improving there is no cure, and this is placing additional strain on resources to provide care for sufferers and support for carers.
- 2.2 Almond Community Partnership’s key actions (Local Community Plan 2014 – 2017) includes caring for its most vulnerable residents and combating social isolation. That includes working with the local community to develop awareness of the needs of people with dementia and their carers. Western Edinburgh Neighbourhood Partnership has adopted the same priority in its Local Community Plan (LCP). Edinburgh also declared itself Scotland’s first dementia-friendly city in 2014.
- 2.3 West Edinburgh, given its LCP commitments, has developed an innovative partnership approach to provide support and information to dementia sufferers and their carers in line with Scotland’s Dementia Strategy and post-diagnostic support target. Volunteers from the Cramond and Barnton area, with close links to surrounding community councils, have engaged with organisations that are now key stakeholders in EFMNGT. These include NHS Lothian, Alzheimers Scotland, City of Edinburgh Council and the third sector.

- 2.4 The Lodge House and garden is set within the tranquil grounds of the Lauriston Castle estate and lies on Cramond Road South between Cramond, Davidson Mains and Silverknowes, providing an ideal location for a dementia garden and drop-in centre.
- 2.5 Lauriston Castle and its grounds were left in trust to the Scottish nation in 1926 for “the use of the public in all time coming and the intelligent education of the public taste.....”. Originally the Edinburgh Corporation accepted perpetual trusteeship from the Secretary of State for Scotland, taking over day-to-day responsibility for the castle and grounds, though the Council now serves that function. The city’s councillors are ex-officio trustees of Lauriston Castle Trust.
- 2.6 Lauriston Castle Lodge House is a single storey, stone built bungalow with a single storey, flat roofed extension to the rear. It was built towards the end of the 19th Century. Having been unoccupied for several years, it has now fallen into a state of disrepair. The Council originally instructed a condition survey of the building in March 2010, which was updated in January 2016. The survey advises that the lodge is in a “very dilapidated condition” and values the capital cost of bringing it back to a proper state of repair at £88,000.

3. Main report

- 3.1 Through combining the garden and Lodge House, EFMNGT’s vision is to create a community garden offering therapeutic intervention through sensory planting, reminiscence features and awareness raising installations, and a community ‘drop-in’ centre. The centre will be staffed by volunteers offering informal support and signposting, creating a space for people with dementia and their carers, friends and family.
- 3.2 To be certain that there was no legal impediment to the Lauriston Castle Trust granting a lease of the Lodge House and garden, the Council sought an opinion from Brodies LLP. Brodies advised that the Council does have sufficient power to grant a lease on the basis that it would not be at variance with the provisions of the Trust deed.
- 3.3 Provisionally agreed terms for the lease of the Lodge House and garden are as follows:
- Subjects: Lauriston Castle Lodge House and Garden;
 - Term: Twenty five years;
 - Rental: £1 per annum;
 - Use: Memory garden and associated dementia ‘drop-in’ centre;
 - Costs: EFMNGT will settle the Council’s reasonable professional fees; and
 - Others: All statutory consents will be obtained by EFMNGT, including planning.

- 3.4 A long lease is proposed on the basis that EFMNGT will invest in the long-term development of the Lodge House and garden. A long lease will allow EFMNGT to apply to major external funding bodies. The proposal is to create the memory garden first, before beginning work to refurbish the Lodge House and create the 'drop-in' centre. The project will be funded by monies raised by EFMNGT. They will not be seeking funding from the Council. As a registered charity, EFMNGT will operate on a not for profit basis, with any surplus funds being re-invested in the further development of the project.

4. Measures of success

- 4.1 Delivery of a community asset to support sufferers of dementia and their families.

5. Financial impact

- 5.1 A concessionary lease is justified in this instance. Edinburgh Forget-Me-Not Garden will save the Council substantial capital expenditure by undertaking the refurbishment of the lodge house and garden at its own expense.

6. Risk, policy, compliance and governance impact

- 6.1 As the report advises, the Council has sought expert legal opinion to ensure it has power to grant the proposed lease. The advice is that the Council does have such power in terms of the Lauriston Castle Trust Deed.

7. Equalities impact

- 7.1 This report has been assessed in terms of equalities and human rights. There are no negative equality and rights impacts arising from this report.
- 7.2 The creation of a memory garden and dementia café will improve the lives of many dementia sufferers and their carers living within Edinburgh and the Lothians.

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 Consultation has taken place with local members and Council services. It appears there is broad support for the project.
- 9.2 In October 2017, an e-mail was sent to elected members in their capacity as ex-officio trustees of Lauriston Castle Trust, advising them on the project's progress and what was proposed to finally deliver it.

10. Background reading/external references

- 10.1 None.

Paul Lawrence

Executive Director of Place

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11. Appendices

Appendix 1 – Location plan.



Finance and Resources Committee

10.00 am, Tuesday, 27 March 2018

Award of Contract for the Purchase of 12 Welfare/Accessible Buses

Item number	8.6
Report number	
Routine	
Wards	All
Council Commitments	34, 35

Executive Summary

This report seeks the approval of the Finance and Resources Committee to award a contract for the purchase of 12 Welfare/Accessible Buses.

The contract term will be five years and the total estimated value is £1,058,700 which includes a five year warranty and cost of ownership.

Finance and Resources Committee

Award of Contract for the Purchase of 12 Welfare/Accessible Buses

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the award of a contract to Woodall Nicholson Ltd, T/A Mellor Coachcraft to purchase 12 low floor welfare/accessible buses.
- 1.2 It is also recommended that the Finance and Resources Committee approves the commencement of the contract on 1 May 2018 for a period of five years, with the estimated value £1,058,700.

2. Background

- 2.1 The Council requires to replace part of their current fleet of vehicles. The current minibus fleet vehicles are six years beyond their planned operational life which is affecting the delivery of the service. The vehicles are unreliable and are experiencing increasingly expensive repair bills.
- 2.2 Analysis of the way that the fleet is used, along with current operational requirements, will change the bias of the fleet towards the 16 passenger-seat adapted minibuses that can be driven on a D1 licence. This contract has been tendered on this basis.
- 2.3 The service is considered to be a key element in allowing vulnerable adults/children with additional support needs and mobility impaired residents of Edinburgh to live an independent life whilst supporting social inclusion.
- 2.4 In the most recent survey, the average number of passenger journeys per day was approximately 1,800. 71% of these are journeys where people cannot use standard bus services; the other 29% are journeys which are Social Care/additional support needs-related at a day centre or to support the Curriculum for Excellence.
- 2.5 The current eligibility criteria in Health and Social Care and Communities and Families have helped target transport to those with critical and substantial needs. However, the demand on existing transport is set to increase across key domain ages 48 years old – 85 years old by an additional 24%-28% (National Records office Scotland 2016)

- 2.6 With an increasingly older population and rising school rolls, there is an expectation that demand on transport will increase significantly over the life of the existing and new vehicle contract.
- 2.7 Service delivery has changed to accommodate increased level of needs across children and all adults, ranging from children who require “end of life” care to adults with acute and long-term conditions.
- 2.8 The current vehicles are at present failing to provide a service to all clients operating powered wheelchairs and non-standard wheelchairs as well as increased volume of passengers travelling with walking/mobility aids due to limitations of the current fleet.
- 2.9 Currently older people and adults with mobility impairments are finding the steps up into the current vehicles difficult; this is one of the principal factors that necessitate a low floor fleet. Low floor vehicles are fitted with ramps, rather than tail lifts, which slightly reduces the maintenance cost of these vehicles.
- 2.10 Demand is expected to rise in terms of accessible transport across Communities and Families and the Edinburgh Health and Social Care Partnership by 26-28%.

3. Main report

- 3.1 Council officers undertook a mini-competition utilising the Scotland Excel (SXL) Heavy and Municipal Vehicles Framework, under Lot 8 – Accessible Buses.
- 3.2 Similar Frameworks operated by Yorkshire Purchasing Organisation, Eastern Shires Purchasing Organisation and Crown Commercial Services were considered as options but upon analysis, SXL was considered the best option to meet the requirements of the Council for several reasons:
 - 3.2.1 SXL had virtually identical market players to the other Frameworks;
 - 3.2.2 Several Frameworks charged suppliers for being on the Framework, and it was confirmed that these charges are passed on to purchasing organisations; and
 - 3.2.3 City of Edinburgh Council already pays SXL a standing charge for using their frameworks
- 3.3 On 13 October 2017, tenders were invited from the five organisations on the framework agreement using the Public Contracts Scotland Portal. Three tender responses were received from two bidders, one of which submitted two vehicle options, by the tender closing date on 10 November 2017.
- 3.4 The tenders were evaluated by a panel consisting of three Council officers. The panel was advised by Commercial and Procurement Services.
- 3.5 To identify the tenderer offering the best value, the tender evaluation included an emphasis on quality as well as price and submissions were assessed on most economically advantageous tender. Whole life costing was used to establish best

value to the Council across the life of the asset, not just on the initial purchase price.

- 3.6 The 60/40 price/quality ratio adopted from the SXL Framework for Heavy and Municipal Vehicle was set to reflect the need for quality at the most economic price.
- 3.7 Following the tender evaluation, the vehicles recommended for purchase are 12 Mellor Orion welfare/accessibile minibuses.
- 3.8 A summary of the tender process is set out at Appendix 1. The outcome of the tender evaluation was:

Tendering company	Quality	Price	Score summary
Woodall and Nicholson Ltd T/A Mellor Coachcraft	36	58	94 Ranking:1
Bidder 2 (Vehicle option 1)	25	60	85 Ranking: 2
Bidder 2 (Vehicle option 2)	25	58	83 Ranking: 3

4. Measures of success

- 4.1 The new vehicles will be fitted with Diesel Euro VI engines, improving air quality significantly compared to the current vehicles with reduced Nitrogen Oxide and Particulate Matter (PM10) pollution. For this type of vehicle there are no alternative fuels that are not “aftermarket” adaptations. Many of these adaptations can reduce Nitrogen Oxide and Particulate Matter (PM10), but will increase greenhouse gases (CO₂) and require investment in infrastructure to support them. The vehicles have improved maintenance regimes including long-life synthetic oils that result in longer periods between servicing; therefore, the quality of the vehicles will be higher and cheaper to maintain due to a lower risk of vehicle breakdown and more environmentally friendly features.
- 4.2 The new vehicles will offer the Council the flexibility to examine alternative methods of working and the ability to consider innovative solutions to the transport of the elderly and vulnerable such as demand responsive transport.
- 4.3 The low-floor design will offer passengers an improved experience, for example the vehicles have no stairs at the front of the vehicle for those with difficulty walking and will have ramps rather than hydraulic tail lifts that will allow many larger adapted wheelchairs access to the vehicles.

5. Financial impact

- 5.1 The overall cost to the Council of procuring these 12 Welfare/Accessible Buses will be £1,058,700 (including a warranty for the fifth year) calculated as follows:

Description	Qty	Price each	Total Price
Welfare/Accessible Bus	12	£88,225	£1,058,700

- 5.2 Revenue budget is available and the financing options for the vehicles will be finalised after the vehicles have been purchased. Treasury will carry out a financial options appraisal to identify the method of financing that will deliver best value for the Council. The estimated savings are £117,633 from discount rates applied to the Framework.
- 5.3 When the vehicles are purchased, options that will be considered include: - (i) Operating Lease through sale and lease back mechanism or - (ii) Public Works Loan Board (Prudential).
- 5.4 This report outlines expenditure of £1,058,700 that following Treasury assessment could potentially be funded through capital expenditure. If this is progressed and it were to be funded fully by borrowing, the overall loan charges associated with this expenditure over an average asset life of seven years would be a principal amount of £1,058,700, with interest of £108,483 resulting in a total cost of £1,167,183 based on a projected Prudential Works Loan Board rate of 2.5%. The annual loan charges would be £166,740.
- 5.5 Should the expenditure outlined in this report be funded through capital, provision for funding the associated loan charges will be met from the Place revenue budget.
- 5.6 It should be noted that the delivery lead time for these vehicles is around 14 weeks so the actual expenditure for these vehicles will fall within the 2018/19 financial year.
- 5.7 Alternative methods of fleet provision and financing are being investigated as part of the ongoing fleet review project however, the purchase of these vehicles cannot be delayed until the final outcome of this review which is not expected until April 2018.
- 5.8 The cost associated with procuring this contract is estimated at between £10,001 and £20,000.

6. Risk, policy, compliance and governance impact

- 6.1 The current vehicles require to be replaced, before they develop any serious mechanical problems.
- 6.2 The purchase of these vehicles is key to the development of the Council's Corporate Transport activity and any substantial delay in the purchase of these

vehicles will impact their ability to achieve the savings or planned service modernisation. The new vehicles are more flexible than the current fleet and this coupled with the increased reliability will allow the new fleet of vehicles to be utilised more fully.

7. Equalities impact

- 7.1 An equality and rights impact assessment was conducted in relation to a recent previous purchase of identical vehicles. Input was taken and considered from stakeholders, however, while cognisance was taken of the points raised these were balanced against required vehicle capacity and cost of operations.
- 7.2 Many of the factors, such as the access and egress issues from the vehicle were addressed in the adoption of these low floor vehicles.
- 7.3 The vehicles selected are of a design that does not have the “institutional attachment” that many users felt applied to the older vehicles which are operated on many rural bus routes. This addresses one of the main concerns of the users that the current vehicles carried a stigma.

8. Sustainability impact

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties and the relevant Council sustainable development policies have been taken into account.
- 8.2 Please see the environmental benefits detailed in paragraph 4.1 above “Measures of success”.

9. Consultation and engagement

- 9.1 Fleet Service involved the final user department at each stage of the procurement, so that they had input at all stages.

10. Background reading/external references

- 10.1 N/A

Paul Lawrence

Executive Director of Place

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11. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Award of Contract for the Purchase of 12 Welfare/Accessible Buses Ref: CT2147
Contract Period	1 May 2018 – 30 April 2023
Estimated Value	£1,058,700
Estimated Savings	£117,633
Procedure Chosen	Mini-competition under Scotland Excel Heavy and Municipal Vehicles Framework
Tenders Returned	2
Preferred Supplier	1
Primary Criteria	Most economically advantageous tender to have met the qualitative and technical specification of the service area. 60% Price 40% Quality as determined by Scotland Excel
Evaluation Team	Fleet Resource and Asset Manager Contracts Manager City Wide Services Manager