

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).