Notice of meeting and agenda

Finance and Resources Committee

10.00am, Tuesday 12 June 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 If any

4. Minutes

4.1 Minute of the Finance and Resources Committee of 27 March 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 None.

7. Executive decisions

7.1 Revenue Budget Framework 2018/23: Progress Update – report by the Executive Director of Resources (circulated)

7.2 Implementation of full cost-charges in care homes for older people managed by the Council – report by the Chief Officer, Health and Social Care Partnership (circulated)

7.3 Asset Management Strategy Transformation Programme - Update – report by the Executive Director of Resources (circulated)

7.4 Rising School Rolls – Phase 6 – report by the Executive Director of Resources (circulated)

7.5 Spend to Save - Funding Applications – report by the Executive Director of Resources (circulated)

7.6 Implementing the Programme for the Capital: Coalition Commitments – report by the Executive Director of Resources (circulated)

7.7 Lothian Buses Pension Fund – report by the Executive Director of Resources (circulated)

7.8 Workforce Dashboard – report by the Executive Director of Resources (circulated)

7.9 Embedding and Evaluating our new Performance Framework – report by the Executive Director of Resources (circulated)

7.10 Annual Workforce Controls Report – report by the Executive Director of Resources (circulated)

7.11 Report by Accounts Commission – Local Government in Scotland Performance and Challenge – referral from the Governance, Risk and Best Value Committee (circulated)

7.12 Procurement Governance and Contract in respect of Integrated Pensions Administration and Payroll Software – referral from the Pensions Committee (circulated)

7.13 King's Theatre – request for Additional Capital Funding by Capital Theatres – report by the Executive Director of Resources (circulated)

7.14 City Deal New Housing Delivery Partnership Acquisition of Homes 2018/19 – report by the Executive Director of Place (circulated)

7.15 Provisions of Registrar Services – report by the Executive Director of Place (circulated)

7.16 Land at the Wisp (Plot 3c) – Proposed Disposal – report by the Executive Director of Place (circulated)

7.17 Land at Swanston Village - Proposed Garden Ground Sales– report by the Executive Director of Resources (circulated)

7.18 4 Duncan Place – Community Asset Transfer Update – report by the Executive Director of Resources (circulated)

7.19 Proposed Lease - Panmure St Ann's, 6 South Gray's Close, Edinburgh – report by the Executive Director of Resources (circulated)

7.20 Land at Dewar Place/Western Approach Road - Proposed Disposal – report by the Executive Director of Resources (circulated)

7.21 National Care Home Contract – Outcome of Negotiations - report by the Chief Officer, Edinburgh Health and Social Care Partnership (circulated)

7.22 Appointment of Legal Advisers - Waiver Report – report by the Executive Director of Resources (circulated)

7.23 Edinburgh Shared Repairs Service (ESRS) – Progress Report – report by the Executive Director of Resources (circulated)

7.24 Expansion of Early Learning and Childcare from 600-1400 hours by 2020 – Current Progress and Next Steps – referral from the Education, Children and Families Committee (circulated)

7.25 Family Support Volunteer Service to Safe Families for Children – referral from the Education, Children and Families Committee (circulated)

7.26 Award of Festival Attraction Contract for the Summer Period in Princes Street Gardens – report by the Executive Director of Place (circulated)

8. Routine decisions

8.1 Proposed Lease Extension at 44 High Street, Edinburgh – report by the Executive Director of Resources (circulated)

8.2 Proposed Lease Extension at 9 Cockburn Street, Edinburgh - report by the Executive Director of Resources (circulated)

8.3 Proposed Lease Extension at 41 Leith Street, Edinburgh – report by the Executive Director of Resources (circulated)

8.4 Festival Theatre, 13-29 Nicolson Street – Proposed New 25-year Lease – report by the Executive Director of Resources (circulated)

8.5 Proposed New Lease of Land for a Community Garden at Murrayburn and Hailesland, Edinburgh – report by the Executive Director of Resources (circulated)

8.6 City Fibre Project, Proposed Leases for Hub Locations – report by the Executive Director of Resources (circulated)

8.7 Proposed new lease at Old Stamp Office Close, 221 High Street, Edinburgh – report by the Executive Director of Resources (circulated)

8.8 Proposed Lease Extension at 45 Cockburn Street, Edinburgh – report by the Executive Director of Resources (circulated)

8.9 Proposed Lease Extension 47 Cockburn Street, Edinburgh – report by the Executive Director of Resources (circulated)

8.10 Summary Report on Property Transactions concluded under Delegated Authority – report by the Executive Director of Resources (circulated)

8.11 Framework Agreement for Supported Buses – report by the Executive Director of Place (circulated)

9. Motions

9.1 If any

Laurence Rockey

Head of Strategy and Insight

Committee Members

Councillors Rankin (Convener), Donaldson (Vice-Convener), Bridgman, Kate Campbell, Corbett, 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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Item 4.1 - Minutes

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Present

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

1. Deputation – The Ethical Finance Hub

The Committee agreed to hear a deputation from Julian Parrott and Graham Burnside on behalf of the Ethical Finance Hub in relation to the proposed lease of accommodation at Waverley Court, Edinburgh.

The deputation highlighted the following:

- The Ethical Finance Hub was based on a financial model that valued, in addition to financial returns, positive material impacts on society and the environment. This reflected the growing interest in ethical finance.
- The idea behind the Hub was to create a collaborative platform to provide connectivity between various investment areas and stakeholders, particularly those who have often been unable to participate, for example NGOs and faith groups.
- Edinburgh was a natural location for this work, being physically well connected and a leading financial centre.
- The Hub was currently a Not for Profit organisation and the work carried out by Directors was pro bono.
- The Hub had received funding from the Scottish Government to support some projects and set up staffing, but there was a specific exclusion in that funding for property costs, so the Hub was seeking a rental waiver to enable company growth and eventually become self-sufficient.

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

2. Deputation – Edinburgh and Lothians Greenspace Trust

The Committee agreed to hear a deputation from Charlie Cumming on behalf of Edinburgh and Lothians Greenspace Trust in relation to the report on the partnership between the City of Edinburgh Council and Edinburgh and Lothians Greenspace Trust.

The deputation highlighted the following:

- The Edinburgh and Lothians Greenspace Trust was set up in 1991 by the City of Edinburgh Council, Midlothian Council and Scottish Natural Heritage, with the aim of delivering greenspace projects. The Trust's main focus was currently on health and social inequalities, particularly in areas of deprivation.
- The Trust had 12 employees, whose posts were funded by the Trust partners, Forestry Commission Scotland, Scottish Natural Heritage, Scottish Enterprise, and the NHS. The Trust was governed by a Board which included representation from the City of Edinburgh Council, Midlothian Council and East Lothian Council.
- The Trust's key priority areas of work were:

- Better greenspaces for people and wildlife
- Increased active travel
- Greater appreciation/understanding of greenspaces and natural capital
- Direct involvement in community gardening, growing, conservation and managing local greenspaces
- Improved physical and mental health by engaging with greenspace with local communities

- The Trust had, in recent years, been instrumental in the delivery of several key greenspace projects in Edinburgh, for example Hills Quarry Park, Drylaw Skate Park and Buttercup Farm Park.
- The Trust had its own procurement procedure, which involved a tender process for any projects valued over £25,000, in order to ensure best value.

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

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

Approval was sought 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 had requested a concessionary rent to allow their business to become established, which was contrary to the Council's policy on concessionary lets. A variety of lease options were presented.

Motion

To approve an annual charge of £46,900 to include rent (£24,402) and running costs (£22,498) (inclusive of rates). The annual rent of £24,402 would remain fixed, with running costs increased annually with RP1 – Option 1 – Market Rent as set out in the report.

- Moved by Councillor Rankin, seconded by Councillor Donaldson

Amendment

To approve Ethical Finance Hub Ltd not being charged 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 – Option 3 as set out in the report.

- Moved by Councillor Corbett, seconded by Councillor Miller

Voting

The voting was as follows:

For the motion	-	9 votes
		(Councillors Kate Campbell, Donaldson, Howie, Hutchison, Johnston, Rankin, Ross, Watt and Whyte)
For the amendment	-	2 votes
		(Councillors Corbett and Miller)

Decision

To approve an annual charge of £46,900 to include rent (£24,402) and running costs (£22,498) (inclusive of rates). The annual rent of £24,402 would remain fixed, with running costs increased annually with RP1 – Option 1 – Market Rent as set out in the report.

(References – Finance and Resources Committee 23 March 2017 (item 19); report by the Executive Director of Resources, submitted.)

4. Partnership with Edinburgh and Lothians Greenspace Trust

Details were provided of a proposal 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 would be four years, replacing a contract waiver previously agreed by the Finance and Resources Committee on 28 November 2013, in recognition of the organisation's unique characteristics and its ability to secure third party funding.

Decision

1) To approve 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.

2) To note that under the Agreement ELGT would continue to provide specialist services to the Council which were in the best interests of the Council, with a signed off financial ceiling by the Council of £2m over the four-year period.

3) To note that ELGT would continue to undertake green space projects with an expectation that, on average, the Council would receive £2.50 benefit for each £1 of investment.

(References – Finance and Resources Committee 28 November 2013 (item 16); report by the Executive Director of Place, submitted.)

5. Minutes

Decision

To approve the minutes of the Finance and Resources Committee of 23 January 2018 and 8 February 2018 as correct records.

6. Key Decisions Forward Plan

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

Decision

To note the Key Decisions Forward Plan for June 2018.

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

7. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log was submitted.

Decision

1) To agree to close actions 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13.

2) To note that an update on property surveys would be reported within 2 cycles as part of the Asset Management update.

3) To otherwise note the Rolling Actions Log.

(Reference – Rolling Actions Log, submitted.)

8. Business Bulletin

The Finance and Resources Committee Business Bulletin was submitted.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, submitted.)

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

Approval was sought 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 would be for 36 months, with an option to extend for up to a further two periods of 12 months each. The contract start date would be 1 May 2018. The total estimated value of the contract to the Council, including extensions, was £7,674,080.

Decision

1) To approve the award of a contract to 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.

2) To note that the results of the pilot study for the Family Support Volunteer Service (Lot 2) had not yet been considered by the Education, Children and Families Committee.

3) To continue consideration of the award of a contract for Lot 2 to the next meeting of the Finance and Resources Committee.

4) To request, in the meantime, that the Director for Communities and Families reported the results of the pilot to the Education, Children and Families Committee for their consideration.

5) To instruct the Director for Communities and Families to take all practicable steps to ensure that this continuation did not impact on the organisations or service users involved.

(Reference – report by the Executive Director for Communities and Families, submitted.)

10. Sickness Absence Policy

Details were provided of the new Sickness Absence Policy. This would replace the Managing Attendance Procedure, which had been in use since 2012. The policy focused more on the promotion of employee wellbeing. The new policy made adjustments to sickness absence triggers and the impact on pay and also set out explicit exceptions, thereby making the absence process clearer and fairer through more consistent practice.

Decision

1) To approve the new the Sickness Absence Policy.

2) To note that, in addition to the standard review process, a report would be brought to committee 12 months after implementation of this policy to review its impact and make any further recommendations for potential improvement.

(References – Corporate Policy and Strategy Committee 8 August 2017 (item 7); report by the Executive Director of Resources, submitted.)

11. Workforce Dashboard

Details were provided on employee numbers, trends on absence rates, the cost of the pay bill, the performance framework, the number of Voluntary Early Release Arrangement/Voluntary Redundancy (VERA/VR) leavers and cumulative 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 23 January 2018 (item 15); report by the Executive Director of Resources, submitted.)

12. Whistleblowing Policy

The current Whistleblowing Policy had been approved by Committee on 23 March 2017. Approval was sought for a revised policy, in order to meet the annual review requirement of the Council's policy framework.

Decision

1) To approve the revised Whistleblowing Policy.

2) To agree to implement the revised policy with immediate effect.

(References – Finance and Resources Committee 23 March 2017 (item 9); report by Chief Executive, submitted.)

13. Health and Safety Performance in 2017

An update was provided on health and safety progress and performance in 2017. Substantial progress had been made in 2017, with 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.

Decision

To note the health and safety progress and performance in 2017.

(References – Finance and Resources Committee 23 March 2017 (item 2); report by the Executive Director of Resources, submitted.)

14. Corporate Health and Safety Strategy and Plan 2018-2020

The Council's proposed Corporate Health and Safety Strategy and Plan for 2018-2020 was presented. The Plan set out the Council's health and safety aims for the next three years, and would support the delivery of the Council's Business Plan by ensuring people and third parties, including members of the public, contractors, service users and pupils, were safe.

Decision

To approve the Council's Corporate Health and Safety Strategy and Plan 2018-2020.

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

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

An update was provided on Impact Assessments carried out in relation the draft Council Revenue Budget Framework for 2018-2023, noting changes that arose from a motion approved by Council on 22 February 2018, and a final assessment of cumulative impacts.

Decision

To note and continue to pay due regard in any further decision-making concerning the proposals in the report, to:

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

(References – Finance and Resources 8 February 2018 (item 3); Act of Council (No. 3), 22 February 2018; report by the Chief Executive, submitted.)

16. Spend to Save Funding – Craiglockhart Leisure and Tennis Centre

Details were provided of 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.

Decision

1) To approve the Spend to Save application in respect of Craiglockhart Leisure and Tennis Centre from Edinburgh Leisure.

2) To refer the report to Council for approval for use of the Fund..

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

17. Property Condition Project – Delivery Programme

Condition reports on the Council's operational portfolio had identified significant backlog maintenance challenges. In response, the Council had released additional investment (capital and revenue) for 2018/19 to assist in addressing the issue. Details were provided on how the service area would address the significantly increased delivery programme of asset management works (capital) and planned preventive maintenance (revenue) for financial year 2018/19 and beyond.

Decision

1) To note the report.

2) To agree that all future capital investment reports to any Council committee with revenue implications and dependencies would be referred to the Finance and Resources Committee for approval.

3) To approve the appointment of Arcadis LLP as technical adviser for the procurement of Hard FM Services and to delegate authority to the Executive Director of Resources to approve extension and variations in line with Standing Orders.

4) To note that an integral part of the programme would be communication and engagement with establishments and this would require full-time resources.

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

18. Edinburgh Trams Ltd Combined Liability Insurance Tender 2018

Approval was sought 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.

Decision

1) To approve 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.

2) To note that the annual premiums would be paid in full by Edinburgh Trams Ltd.

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

19. 21st Century Homes Small Sites Programme – Dumbryden Phase 2

Details were provided of the proposed development and delivery of a second phase of affordable homes at Dumbryden Drive. Approval was sought to place a Project Order with Robertson Construction Group Ltd, using the Scape Major Works Scotland framework, and to apply for Scottish Government grant funding for the social rented homes included within the development.

Decision

1) To approve the placement of a Project Order with Robertson Construction Group Ltd to progress pre-construction activities, using the current Scape Major Works Scotland framework.

2) To approve a project budget of up to £6.25 million.

3) To approve 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 did not exceed the project budget, and planning approval had been received.

4) To approve the application for Scottish Government grant funding to support the delivery of around 35 homes for social rent on the site.

5) To note that housing construction had commenced on all the small sites, with first completions expected in May 2018.

(References – Finance and Resources Committee 23 January 2018 (item 21), 3 November 2016 (item 29) and 2 February 2016 (item 15); report by the Executive Director of Place, submitted.)

20. The EDI Group Ltd – Transition Strategy

An update was provided on the progress made to date in closing down EDI Group Ltd and it subsidiary companies and bringing its development activities into the Council.

Decision

1) To note that the EDI Transition Strategy had been approved by Housing and Economy Committee.

2) To note the progress made to date on the transition.

3) To note that the pension liability would be taken forward on an on-going basis rather than making a cessation payment subject to agreement by Council.

4) To note that £1 million from the Council's City Strategic Investment Fund would be set aside to cover any cash flow issues that may arise over the transition period.

(References – Housing and Economy Committee 7 September 2017 (item 11); report by the Executive Director of Place, submitted.)

21. Award of Contract for the North Bridge Refurbishment

Approval was sought to award the contract for the refurbishment of the North Bridge to Balfour Beatty Civil Engineering Limited, through the Scape Group National Civil Engineering and Infrastructure Framework Agreement.

Decision

1) To approve 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.

2) To note that the total cost of the project was £22,300,000.

3) To note that any additional enhancement works which might be approved by the Transport and Environment Committee in the future could be added to this contract by the Executive Director of Place under the Contract Standing Orders, provided such additions were in accordance with the relevant procurement regulations and that sufficient funding was available.

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

22. Queensferry High School

An update was provided on progress of the Queensferry High School project and approval was sought to execute financial close. Approval was also sought for the Council to take up a 10% capital share in the DBFM Holdco set up for the project and the appointment of the Head of Property and Facilities Management as a Director of DBFM Holdco and DBFM Co.

Decision

1) To note the progress on the Queensferry High School project.

2) To 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.

3) To grant authority to the Executive Director for 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 the report.

4) To grant authority to the Executive Director for 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 of the report.

5) To grant authority to the Executive Director for 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.

6) To approve the performance by the Council of the documents listed in Appendix 1 of the report.

7) To agree that the Council would take up a 10% capital share in the DBFM Holdco set up for the Queensferry High School Project, subject to legal due diligence.

8) To 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.

9) To approve the budget transfer of £1.277m from the Local Development Plan Action Plan provision in the Council's revenue budget framework.

10) To note that the project agreement and the funders direct agreement were certified contracts within the meaning of section 2 of the Local Government (Contracts) Act 1997 and would meet the certification requirements within section 3 of the Local Government (Contracts) Scotland Act 1997.

11) To note that the Stage 2 report submitted by Hub South East Scotland Limited on 26 March 2018 included a Financial Model outlining the forecast Annual Service Payment which was projected to be £3,664,510 per annum. This was based on all costs and funding assumptions included within the Stage 2 report.

(References – Act of Council (No. 1), 24 November 2016; report by the Executive Director for Communities and Families, submitted.)

23. Contract Awards and Procurement Programme (Period 1 July – 31 December 2017)

An update was provided on the scope of contracts awarded across the Council in the period 1 July to 31 December 2017. Details were also provided of the forthcoming procurement programme in relation to higher value contracts across the Council.

Decision

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

2) To note that a further report would be submitted to the Committee in six months' time.

(References – Finance and Resources Committee 5 September 2017 (item 15); report by the Executive Director of Resources, submitted.)

24. Gas Mains Deed of Servitude – East Mains, Ingliston

Approval was sought for the discharge of two deeds of servitude, in so far as they fell 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.

Decision

To approve 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 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.)

25. Land to rear of 80 Niddrie Mains Road – Proposed Disposal

Approval was sought to sell a Council-owned section of land to the rear of Niddrie Mains Road to CCG (Scotland) Ltd as an adjoining landowner.

Decision

To approve 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 the report and on other terms and conditions to be agreed by the Executive Director of Resources.

(References – Finance and Resources Committee, 5 September 2017 (item 24); report by the Executive Director of Resources, submitted.)

26. Proposed Lease Extension at 107/109 Morrison Street, Edinburgh, EH3 8BY

The lease for the retail unit at 107/109 Morrison Street was due to expire on 28 April 2018 and the tenant had requested a 10 year lease extension. Approval was sought to grant a 10 year lease extension to Elizabeth Jones & Aleksandra Slowiak.

Decision

To approve a 10 year lease extension to Elizabeth Jones & Aleksandra Slowiak of retail premises at 107/109 Morrison 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.)

27. West Granton Road, Edinburgh – Proposed Disposal and Excambion

National Museums Scotland had approached the Council to acquire an adjoining site to their principal storage and collection centre at West Granton Road, Edinburgh, which was in Council ownership. As part of the transaction, the Council would 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. Approval was sought to progress the transaction with National Museums Scotland.

Decision

To approve the sale and acquisition of land at West Granton Road under the terms and conditions 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.)

28. Lauriston Castle Lodge House and Garden – Proposed Lease – referral from Culture and Communities Committee

On 30 January 2018, the Culture and Communities Committee considered a report on the lease of Lauriston Caste Lodge House and garden to the Edinburgh Forget-Me-Not-Garden-Trust. Approval of the Finance and Resources Committee was sought to progress the lease.

Decision

To approve a 25 year lease to Edinburgh Forget-Me-Not- Garden Trust 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.

(References – Culture and Communities Committee 30 January 2018 (item 10); report by the Executive Director of Place, submitted.)

29. Award of Contract for the Purchase of 12 Welfare/Accessible Buses

Approval was sought to award a contract for the purchase of 12 Welfare/Accessible Buses.

Decision

1) To approve the award of a contract to Woodall Nicholson Ltd, T/A Mellor Coachcraft to purchase 12 low floor welfare/accessible buses.

2) To approve the commencement of the contract on 1 May 2018 for a period of five years, with the estimated value £1,058,700.

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

30. 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 9 of Part 1 of Schedule 7(A) of the Act.

31. North Edinburgh Regeneration: Site Acquisition Update

Committee considered a report on a site acquisition relating to regeneration of North Edinburgh.

Decision

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

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

32. Land at India Quay – Fountainbridge - Proposed Disposal

Committee considered a report on the proposed disposal of land at India Quay, Fountainbridge, Edinburgh.

Decision

1) To approve the sale of 0.57 hectares (1.41 acres) of land at India Quay, Fountainbridge to Vastint Hospitality BV on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

2) To approve the excambion between the Council and Vastint Hospitality BV on the terms and conditions as 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.)

33. Miscellaneous Debts – Write-off

Committee considered a report on the proposed write-off of miscellaneous debts.

Decision

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

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

Key decisions forward plan

Item No 5.1

Finance and Resources Committee – 12 June 2018

16 August 2018

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Council Commitments
1.	Accelerating Housing Delivery and Regeneration - Powderhall	16 August 2018		Executive Director of Place Lead Officer: Elaine E Scott 0131 529 2277 elaine.scott@edinburgh.gov.uk	
2.	Contract for Care and Support – St Stephen's Court	16 August 2018		Chief Officer, Edinburgh Health and Social Care Partnership Lead Officer: Moira Pringle 0131 529 3659 moira.pringle@edinburgh.gov.uk	
3.	Proposed sale of Public Convenience and Police Box at 1 Gorgie Road	16 August 2018		Executive Director of Resources Lead Officer: Mark Bulloch 0131 529 5991 mark.bulloch@edinburgh.gov.uk	
4.	Proposed New Lease of part of 249 High Street, Edinburgh (Advice Shop)	16 August 2018		Executive Director of Resources Lead Officer: Mark Bulloch 0131 529 5991	

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Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Council Commitments
				mark.bulloch@edinburgh.gov.uk	
5.	Award of Workplace Travel Planning Contract 2018-19	16 August 2018		Executive Director of Place Lead Officer: Judith Cowie 0131 469 3694 judith.cowie@edinburgh.gov.uk	
6.	Treasury Annual Report 17/18	16 August 2018		Executive Director of Resources Lead Officer: Innes Edwards/Amanda Livingstone 0131 469 6291/469 6295 innes.edwards@edinburgh.gov.uk / amanda.livingstone@edinburgh.gov.uk	
7.	Adoption of a Construction Charter	16 August 2018		Executive Director of Resources Lead Officer: Tammy Gillies 0131 529 4930 tammy.gillies@edinburgh.gov.uk	
8.	Hawes Pier – Proposed Leases to Maid of the Forth and Forth Belle	16 August 2018		Executive Director of Resources Lead Officer: Lesley Dryden 0131 529 4600 lesley.dryden@edinburgh.gov.uk	
9.	Westbank Street, Portobello – Proposed Disposal	16 August 2018		Executive Director of Resources Lead Officer: Graeme McGartland 0131 529 5956	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Council Commitments
				graeme.mcgartland@edinburgh.gov.uk	
10.	Travel Policy	16 August 2018		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk	
11.	NHT Telford North Exit (B agenda)	16 August 2018		Executive Director of Place Lead Officer: Lisa Mallon/Robyn Barrie 0131 529 6291/0131 529 7111 lisa.mallon@edinburgh.gov.uk /robyn.barrie@edinburgh.gov.uk	
12.	Contract Awards and Procurement Programme (Period 1 Jan 2018 – 30 June 2018)	16 August 2018		Executive Director of Resources Lead Officer: Tammy Gillies 0131 529 4930 tammy.gillies@edinburgh.gov.uk	

Rolling Actions Log Item No 5.2

Finance and Resources Committee

12 June 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	December 2018		The Homelessness Task Force is due to report back with its final recommendations around future service delivery in December 2018. The most appropriate way to report back to F&R would be a referral of that report when it becomes available.

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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
2.	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		
3.	23 January 2018	Joint Consultative Group (JCG): Amendment of Constitution	To agree that the Executive Director of 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	23 March 2018	Briefing note was circulated to Councillors – closed.
4.	27 March 2018	Asset Management Update	To note that an update on property survey would be reported within 2 cycles as part of the Asset Management update	Executive Director of Resources	16 August 2018	12 June 2018	Report will be considered by the Committee on 12 June 2018

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
5.	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 Services	To continue consideration of the award of a contract for Lot 2 to the next meeting of the Finance and Resources Committee	Executive Director of Communities and Families	12 June 2018	12 June 2018	Referral report will be considered by the Finance and Resources Committee on 12 June 2018.
6.	27 March 2018	Sickness Absence Policy	To note that, in addition to the standard review process, a report would be brought to committee 12 months after implementation of this policy to review its impact and make any further recommendations for potential improvement.	Executive Director of Resources	November 2019		This policy will be implemented in October 2018 and reviewed 12 months thereafter.
7.	27 March 2018	Queensferry High School	To agree that a briefing would be provided to members on the financial and procurement model of the project.	Executive Director of Communities and Families	As soon as possible		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
8.	27 March 2018	Contract Awards and Procurement Programme (Period 1 July – 31 December 2018)	To note that a further report would be submitted to the Committee in six months' time.	Executive Director of Resources	16 August 2018		

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Revenue Budget Framework 2018/23: Progress Update

Item number	7.1
Report number	
Executive/routine	Executive
Wards	n/a
Council Commitments	n/a

Executive Summary

On 22 February 2018, Council approved a balanced budget for 2018/19. Taking account of measures approved as part of previous years' budget motions, the budget is underpinned by the delivery of total savings of some £36.5m. Following receipt of additional grant funding relative to original assumptions, the approved budget also includes £27.7m of additional, or continuing, service investment. This investment, in turn, builds on the significant additional baselined funding included within the Health and Social Care and Safer and Stronger Communities functions in 2018/19 that is geared towards addressing structural deficits and thereby re-establishing financial sustainability in these areas.

In approving the 2018/19 budget it was noted, however, that there remained a significant savings requirement across the period of the budget framework as a whole, estimated at £130m between 2019/20 and 2022/23 inclusive. The largest contributors to this overall requirement were expenditure linked to the assumed level of pay award, demographic-related provision and reductions in anticipated grant funding, net of additional projected Council Tax income.

All factors contained within the budget framework are the subject of at-least six-monthly review. The following sections of the report set out the main conclusions arising from the most recent review and their consequent impact on the estimated overall savings requirement. An update with regard to development of implementation plans for those savings and investment approved as part of the 2018/19 budget motion is also provided.

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Report

Revenue Budget Framework 2018/23: Progress Update

1. Recommendations

1.1 Members of the Finance and Resources Committee are asked to:

1.1.1 note the overall impact of the proposed changes to a number of the baseline expenditure and income assumptions included within the 2018/23 revenue budget framework; and

1.1.2 note, nonetheless, the significant estimated remaining savings requirement across the overall period of the framework and the consequent intention to bring forward a Council-wide change strategy to the Committee's September meeting.

2. Background

2.1 On 22 February 2018, Council approved a balanced budget for 2018/19. Taking account of measures approved as part of previous years' budget motions, the budget is underpinned by the delivery of total savings of some £36.5m. Following receipt of additional grant funding relative to original assumptions, the approved budget also includes £27.7m of additional, or continuing, service investment. This investment, in turn, builds on the significant additional baselined funding included within the Health and Social Care and Safer and Stronger Communities functions in 2018/19 that is geared towards addressing structural deficits and thereby re-establishing financial sustainability in these areas.

2.2 In approving the 2018/19 budget it was noted, however, that there remained a significant savings requirement across the period of the budget framework as a whole, estimated at £130m between 2019/20 and 2022/23 inclusive. The largest contributors to this overall requirement were expenditure linked to the assumed level of pay award, demographic-related provision and reductions in anticipated grant funding, net of additional projected Council Tax income.

2.3 All factors contained within the budget framework are the subject of at-least six-monthly review. The following sections of the report set out the main conclusions arising from the most recent review and their consequent impact on the estimated overall savings requirement. An update with regard to the development of implementation plans for those savings and investment approved as part of the 2018/19 budget motion is also provided.

3. Main report

Pay award provision

3.1 Employee costs represent the largest single element of the Council's gross expenditure, equating to around 39% of total costs. As a result, assumptions on the level of employee pay awards are key in determining the overall quantum of savings requiring to be identified to maintain a balance between available funding and expenditure demands. By means of illustration, each 1% uplift equates to an increase in overall staffing costs of some £5.3m, based on current staffing levels.

3.2 As was noted in the budget framework update report to the Committee's meeting on 8 February, the Scottish Government has relaxed its pay policy for 2018/19, adopting a tiered approach as follows:

3.2.1 providing a 3% increase for staff whose annual 2017/18 salary did not exceed £36,500;

3.2.2 a 2% increase for staff whose annual salary was between £36,500 and £80,000; and

3.2.3 a £1,600 maximum flat-rate increase for staff in receipt of salaries above this level.

3.3 The level of employee pay award for all local government employee groups is negotiated between COSLA and the representative trade unions on a Scotland-wide basis. The employer's first and final offer to all employee groups for 2018/19 mirrors that of the broader Scottish Government policy, along with continuing payment of the Scottish Local Government Living Wage.

3.4 Thus far, both the Educational Institute for Scotland and GMB Unions have initiated consultative ballots on the employer's offer, with a recommendation that it be rejected. Members are reminded that the budget framework provided funding equivalent to a 3% increase across all staff groups in 2018/19 (but with the intention that any additional sums needed to achieve overall settlement be targeted towards lower-paid staff) and, as such, there is limited scope to absorb a higher level of increase.

3.5 While the 2018/19 employer's offer is aligned to that of the Scottish Government, COSLA has indicated that this should not be seen as setting a precedent for future years and that subsequent years' settlements will have at their core striking an appropriate balance between recognising and rewarding the local government workforce and overall affordability and sustainability.

3.6 In view of the relaxation of the Scottish Government's policy and the resulting heightening of expectations after a number of years' real-terms pay reductions, however, it is proposed that the baseline assumption be increased from 2% to 3% per annum for all remaining years of the framework, cumulatively adding £20.6m of anticipated expenditure over the period from 2019/20 to 2022/23 inclusive.

Inflationary assumptions

3.7 In addition to employee pay awards, a number of other aspects of the Council's expenditure are subject to inflationary price increases, be they contractual uplifts, utility costs or more general rises in the cost of goods and services procured and used in the course of the Council's activities.

3.8 The precise impacts of changes in inflation rates vary by area. The "blended" annual uplift applied to the Education PPP contracts, for example, is derived from the headline rate of UK-wide inflation at agreed reference points. The agreed level of increase for care home fees, in contrast, is negotiated on a Scotland-wide basis by COSLA, Scottish Care and the Coalition of Care and Support Providers, with the agreed fee uplift in the nursing and residential rate for 2018/19 being 3.39%. Other cost changes, such as energy tariffs, are more difficult to predict, with this uncertainty increasing the further into the future they are modelled due to reduced volumes of forward-purchasing and variation in pass-through charges.

3.9 In total, annual provision for non pay award-related inflation is currently £5.0m, with this sum predicated in most cases on an underlying rate of inflation of 2%. In recognition of wider upward pressure in this area outlined above, it is proposed to increase this provision to 3% per annum, resulting in an increase in allowance of £2.5m in 2019/20, rising to an additional £2.8m annual increase by 2022/23.

Wave 4 schools investment

3.10 As part of considering the Council's 2018/23 Capital Investment Programme (CIP), members of the Committee were advised that, on the assumption of 50% Scottish Government funding, there remained an overall funding shortfall of some £78m over and above the level of provision contained within the approved CIP. Given the strategic importance of this investment to the Council's wider priorities, the updated revenue budget framework reflects loan charge expenditure aligned to the profile of the proposed construction programme, comprising £0.6m of support in 2021/22 and increasing to £4.6m in 2022/23. Should the level of Scottish Government funding support vary from that currently assumed, the affordability of the programme will require to be re-assessed. Similarly, the precise loans charge profile will require to be reviewed upon introduction of the Equal Instalment of Principal (EIP) loan accounting method with effect from April 2021, with the potential for a higher initial level of expenditure (decreasing annually thereafter) linked more directly to the interest payable on the outstanding principal.

3.11 At its meeting on 27 March 2018, in considering a report on Queensferry High School, the Committee agreed to allocate £1.277m of a total of £3.5m of Local Development Plan-related investment included within the budget framework to meet additional running costs associated with the new school from April 2020. This allocation reflects the school's role in facilitating the expansion of secondary school capacity to address the impact of anticipated housing development.

3.12 The revenue budget faces a number of challenges as a result of changes to the profile of the operational estate. Increasing service demands have resulted in a corresponding increase in the overall floor area occupied. By way of illustration, between January 2015 and March 2018, new-build projects amounting to 65,000 sq. metres have been completed, including the construction of three new Wave 3 high schools, rising school roll-related classroom extensions at twelve primary schools, nine new gym and dining halls and eight new nursery buildings.

3.13 Most new buildings are larger than the ones they replace and are generally more sophisticated, resulting in better environments but higher running costs, particularly for Non-Domestic Rates. Continuation of existing maintenance regimes will also result in early deterioration of key building elements. While the Council will continue to examine all opportunities for further property-related savings through rationalisation and co-location, in ensuring that sufficient funds are allocated to operate and maintain these new facilities on a sustainable basis, it is proposed to increase the level of provision for associated running costs of these newly-constructed schools and other buildings by £1.8m in 2021/22 and a further £0.6m in 2022/23.

Government grant funding

3.14 Despite changes arising from revised Council Tax multipliers and the Council's decision to increase charges across all bands in both 2017/18 and 2018/19 by 3%, the majority of revenue funding is still received by means of General Revenue Grant (GRG) and retained Non-Domestic Rates (NDR). As with assumptions around the level of pay award, projections in this area are therefore crucial in determining the overall savings requirement, with each 1% change in combined GRG and NDR income representing a movement of about £6.9m.

3.15 Due to the Scottish Government's status as a minority Administration, support from an Opposition Group has been vital to securing Parliamentary approval for its Draft Budget in recent years. Additional funding for Local Government has been introduced at varying stages of Parliamentary consideration, with the £130m introduced at Stage 1 of the 2017/18 process baselined for 2018/19 and subsequently supplemented by £159.5m of further Local Government-specific investment at the equivalent stage of the 2018/19 process. While clearly welcome in allowing the Council to invest additional sums in a number of key areas, the relatively late stage at which these resources became available (the Local Government Finance Settlement was announced on 14 December 2017 and the additional resources at Stage 1 of the Budget Bill introduced on 31 January 2018) restricted, to an extent, the ability to consider the appropriate balance between savings and investment as part of the public engagement process.

3.16 Compared on a like-for-like basis (i.e. adjusting for additional monies received for implementation of new or expanded commitments), the Council's combined level of GRG/NDR for 2018/19 represents a 0.4% cash-terms reduction on the equivalent figure for 2017/18, this being the most favourable level of Settlement since 2013/14.

3.17 The precise level of funding settlement for Local Government, and by extension the Council, depends upon an ever-more complex interaction of UK Treasury block grant allocations, Scottish economic performance and associated taxation policy, Scottish Government priorities and the operation of the needs-based distribution formulae. The degree of political consensus around the importance of protecting investment in the services provided by local government has prompted a reconsideration of relative priorities at a national level and, given the need to secure the support of at least one other political party within the Scottish Parliament, increased its profile and relative bargaining position. On this basis, it is proposed that the Council's actual 2018/19 level of reduction be adopted as the baseline in each of the next four years, albeit with financial modelling (and option generation) reflecting the potential for downward variation from this level.

3.18 In this respect, it should be noted that, at this stage, no allocations have been confirmed, even at Scottish Government-wide level, beyond 2018/19. The recently-published Scottish Government Medium-Term Financial Strategy, however, reinforces a number of previous funding commitments that, combined with modest anticipated cash-terms increases in overall Scottish Government expenditure, points to a likely continuation of real-terms reductions in underlying grant allocations for Local Government over the five-year period concerned.

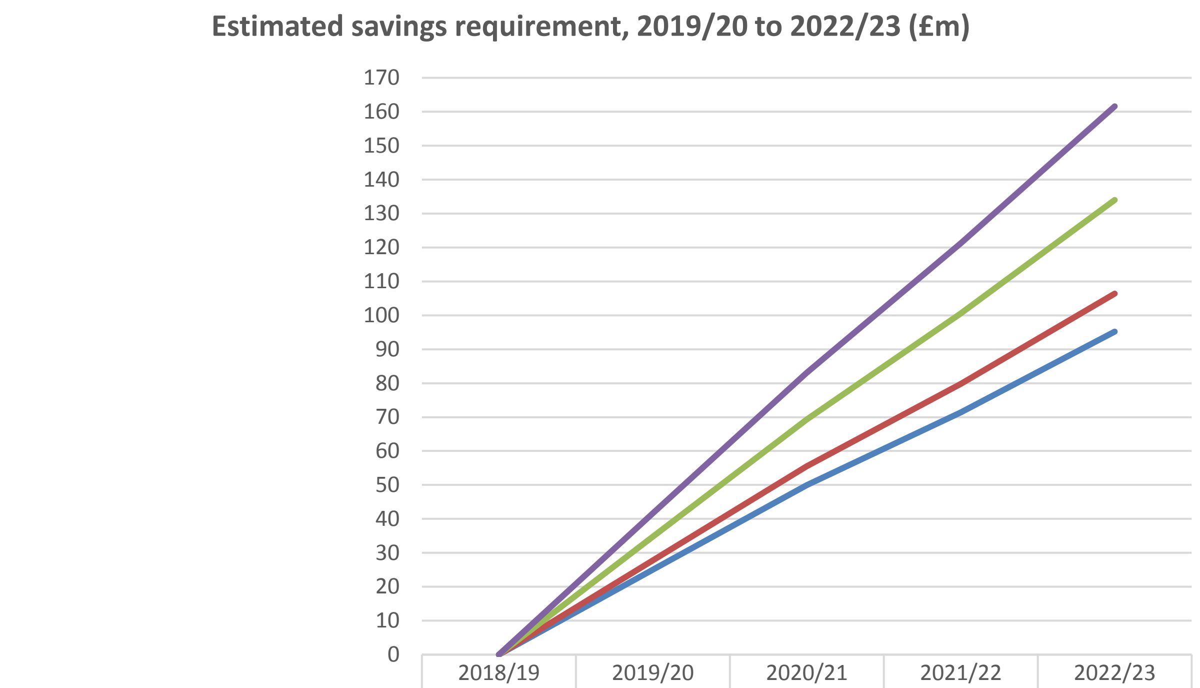
3.19 Given this risk that actual allocations are less favourable than the 0.4% cash-terms reduction that forms the revised baseline for the Council's financial planning, there is a consequent need to consider a range of potential outcomes around this baseline assumption. This need to plan for a less favourable outcome is reinforced by potential changes to the funding floor calculation, through which Edinburgh received £18m of additional support in 2018/19, tempering the level of reduction that would otherwise have been faced.

3.20 Members have previously been advised of the assumption of a 3% increase in Council Tax levels in each of the next four years and no change to this assumption is proposed at this time.

3.21 Taken together, the net effect of these changes on the savings requirement in each of the next four years is shown in the table below:

	Estimated cumulative savings requirements as set out in Budget Framework Update, 7 November 2017 (£m)			
	2019/20	**2020/21**	**2021/22**	**2022/23**
Total Savings Requirement (net of 2018/19 savings)	**42.2**	**80.3**	**105.3**	**130.3**
Proposed revisions:				
Upward change in pay award provision (net of assumed savings)	5.3	10.5	15.6	20.6
Upward amendments to inflationary assumptions for non-pay factors	2.5	5.1	7.8	10.6
Wave 4 schools - associated borrowing	0.0	0.0	0.6	4.6
Wave 4 schools – associated running costs	0.0	0.0	1.8	2.4
Upward revisions to grant/NDR funding assumptions	(22.2)	(40.4)	(51.3)	(62.1)
Net change in assumptions	**(14.4)**	**(24.8)**	**(25.5)**	**(23.9)**
Revised savings requirement	**27.8**	**55.5**	**79.8**	**106.4**

3.22 As noted above, there is potential, in particular, for the level of grant/NDR funding to vary from this baseline assumption. The following chart therefore indicates a range of possible variations on this position based on changes in grant allocations. It is recommended that, while an estimated £27.8m of savings require to be delivered in 2019/20 to achieve financial balance, options to a larger quantum be identified both to allow for an element of public and member discretion in those taken forward and to guard against the potential for a lower overall level of grant funding settlement. An additional 1% annual reduction in grant funding in each of the next four years, for example, would increase the overall savings requirement in 2019/20 to £34.7m and that over the period to 2022/23 to £134.0m.



	2018/19	2019/20	2020/21	2021/22	2022/23
"Flat-cash" settlement	0.0	25.0	49.9	71.4	95.2
Baseline assumption i.e. 0.4% year-on-year reduction in grant	0.0	27.8	55.5	79.8	106.4
Further 1% annual reduction in grant	0.0	34.7	69.3	100.5	134.0
Further 2% annual reduction in grant	0.0	41.6	83.1	121.2	161.6

Development of savings implementation plans and application of additional budget motion investment

3.23 The setting of a balanced budget for the Council as a whole for 2018/19 was predicated on the delivery of some £36.5m of savings, along with effective management of a range of risks and pressures, many of a demand-led nature.

Health and Social Care

3.24 The Council's 2018/19 allocation to the Edinburgh Integration Joint Board (EIJB) represents a year-on-year uplift of £12.6m (6.8%), with provisional further contributions from NHS Lothian (£4m) and the EIJB (£2.8m) based on increasing capacity. In addition to securing these contributions, in view of significant expenditure pressures and required service investment, achievement of a balanced overall position is dependent upon delivery of £1.9m of efficiency savings and £7.2m of transformation programme-related savings, particularly those rooted in improved demand management.

3.25 At this stage, the majority of these projects are assessed at amber, with additional scoping and/or implementation work required to support their achievability. There is a particular risk, however, around the delivery of £3m of savings linked to a programme of reviews through the Telecare and Support Planning/Brokerage projects. Urgent work is also required to agree the scope and approach of a proposal to deliver £1m of savings in internal services linked to growth in Self-Directed Support (SDS) arrangements and to develop detailed proposals for delivery of £1.1m of savings through improved workforce management. Offsetting savings will also require to be identified following a policy change with regard to the reimbursement of home-to-work travel expenses for social care workers with no fixed place of work. The EIJB Chief Officer presented an update on the 2018/19 financial plan to the EIJB on 18th May and this noted that the proposed £4m contribution from NHSL Lothian has not been finalised, pending agreement on targets associated with planned improvements. In addition, there is currently a shortfall of £0.5m against the assumed EIJB contribution to the 2018/19 budget.

3.26 In view of these risks, the Partnership Management Team has agreed a number of further actions to seek to address this situation, including establishing a separate Transformation Savings programme with a dedicated Programme Manager and additional wider project resource, integration of currently-separate workstreams and improved reporting and scrutiny arrangements. While the Council believes that the provision of additional social care packages will contribute significantly towards the shared priority of reducing delayed discharge volumes, it is not possible to guarantee that these additional partner contributions will lead to achievement of delayed discharge targets, upon which the assumed £4m NHS Lothian contribution is currently predicated. Further reassurance on the receipt of this contribution is required. Additional investment should not be undertaken until the core budget funding issues are resolved.

Resources and the Chief Executive's Service

3.27 In addition to the £12.7m of newly-approved savings for implementation in 2018/19, a further £7.4m of previously-assumed or approved savings require to be delivered in 2018/19. At this stage, additional actions are required to enhance confidence around the delivery of significant transformation-linked savings across, in particular, the Asset Management Strategy and Customer areas with detailed work being undertaken by the relevant Heads of Service with Finance.

3.28 Following confirmation of the revised Facilities Management structure after the detailed engagement and consultation undertaken as part of the service's organisational review, £2.8m of budgetary pressures are now evident. These will be offset by £1m of one-off mitigation measures in 2018/19. Pending development of further mitigating measures, the net budget pressure of £1.8m is assessed as red. There is a further pressure of £0.8m to progress the Asset Management Strategy, following full utilisation of earmarked development funds. As not all of this expenditure is committed, this pressure is assessed as amber at this time.

3.29 The Council's approved revenue budget for 2018/19 includes £8.5m of additional funding (an element of which relates to the revenue consequences of additional capital investment) to initiate a sustained, five-year strategy to address backlog maintenance challenges across the Council's property estate. The main features of the delivery programme were set out in a report considered by the Finance and Resources Committee on 27 March 2018, comprising a detailed and prioritised plan, supported by the provision of dedicated and commensurate additional programme management. Investment in 2018/19 will focus, in particular, upon potential future health and safety issues, preventative maintenance and sustainability measures.

Place

3.30 Approved savings of £5.9m fall due for delivery in 2018/19. At this stage, some 85% of these are assessed as amber or green, albeit a number of dependencies to full implementation have been identified. Following use of a number of one-off measures to achieve a balanced service outturn in 2017/18, underlying structural pressures in the Waste and Roads services are being addressed through medium-term improvement plans and re-alignment of the wider Place budget. Mitigating actions are also being developed to address a range of other pressures across the Directorate.

3.31 The approved service budget included a number of new, or expanded, service initiatives, with development of implementation plans well-advanced:

- Waste and cleansing initiatives - £1m;
- Roads, pavements and streetlighting repairs - £0.925m;
- Investment in communities and localities - £0.250m; and
- Others (various) - £0.420m.

Communities and Families

3.32 All savings approved for delivery in 2018/19 are currently assessed as green with the exception of Home to School Transport (£0.4m) and Senior Management Efficiencies (£0.15m) where further development work is required to provide assurance that the savings implementation plans and impact mitigations are suitably robust.

3.33 The approved service budget includes a number of new, or expanded, service initiatives as follows:

- Looked-after children - £1.5m.
- Children with Additional Support Needs - £0.415m.
- Holiday Hunger (being taken forward as School Holiday Challenge) - £0.250m.
- Third sector grants - £0.250m.
- School Clothing Allowance - £0.150m.

3.34 On-going funding of £1.573m has also been provided for the Libraries service.

3.35 While some of these sums will be applied against existing pressures, detailed implementation plans are being developed for the new investment, taking account as appropriate of existing and emerging Scottish Government policies.

3.36 Known or anticipated pressures in the coming year include the level of out-of-council placements, residential care, home-to-school transport and additional required investment in the management of secondary school sports facilities. Mitigating actions to manage these pressures are under development.

Safer and Stronger Communities

3.37 Following Council's rejection of the budget engagement proposal in respect of the Night Noise Team, no additional savings were included in the approved 2018/19 budget motion. The service is, however, continuing to examine opportunities to deliver savings through a re-assessment of the current delivery model for Advice Services, consistent with the provision of both community and locality-based services and continuing availability of independent advice. Existing service delivery arrangements have been extended until 30 September 2018 pending the outcome of this review.

3.38 The approved budget included £1.972m of additional service investment. This investment will be applied in three areas:

- in-year liability for increases in both Local Housing Allowance subsidy and management fee for the Council's Private Sector Leasing contract, critical to the on-going delivery of the temporary accommodation strategy;

- net additional cost of moving to a Shared Housing model, promoting service user independent living skills (a report in this area is included elsewhere on today's agenda); and

- implementation of the recommendations of the Homelessness Taskforce, due to report to the June meeting of the Housing and Economy Committee.

3.39 The service will also require to manage current and anticipated on-going financial impacts of Welfare Reform, particularly the full roll-out of Universal Credit. In future, Safer and Stronger Communities will be presented as part of the reporting arrangements for Communities and Families, given Council's recent decision to transfer leadership responsibility for this function to the Executive Director of Communities and Families.

Change Strategy

3.40 The Council has delivered over £240m of recurring savings since 2012/13, equivalent to around 25% of its net budget. This has allowed the combined financial challenges of increasing demographic-led service demand, inflationary pressures and legislative reform to be addressed whilst steadily improving performance across many areas. It has been widely acknowledged, however, that a "salami-slicing" approach to budgeting, perpetuating doing things in the way that they have always been done, is not sustainable. There is a need to place much greater focus on service transformation and prioritisation, designed using insight from active engagement from citizens, communities and elected members.

3.41 The Council's Change Strategy has therefore identified three key themes of (i) providing high-quality services at the right level, (ii) moving Edinburgh to a radical preventative agenda and (iii) achieving sustainable inclusive growth, to improve services whilst securing longer-term financial sustainability. In recognising that such a transformational shift can only be achieved over the medium- to longer-term, however, a staged approach will be adopted, with a suite of shorter-term measures identified to provide necessary financial breathing space in 2019/20 to provide the foundation for this more fundamental longer-term change. At this stage, it is anticipated that the overarching strategy, taking due account of Council priorities and commitments, will be presented to the Finance and Resources Committee on 27 September 2018 and members will be kept apprised of progress as the strategy develops.

4. Measures of success

4.1 Relevant measures in setting the revenue budget include:

4.1.1 Accurate capturing and quantification of the key determinants of the Council's overall expenditure requirement and available sources of income, allowing a balanced overall budget for 2019/20 and subsequent years to be set as part of a sustainable longer-term framework;

4.1.2 Development of savings and investment options aligned to the Council's priority outcomes, with due opportunity provided for public consultation and engagement; and

4.1.3 Subsequent delivery of the approved savings, particularly where these are linked to additional service investment, along with key service performance indicators.

5. Financial impact

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

6. Risk, policy, compliance and governance impact

6.1 An annual report on the risks inherent in the budget process is considered by the Finance and Resources Committee and referred to Council as part of setting the revenue and capital budgets.

6.2 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the expected service impacts outlined in the respective budget proposals.

6.3 A summary of progress in respect of savings delivery is reported to the Finance and Resources Committee on a quarterly basis, with additional detail and commentary on risks, mitigations and alternative measures (as appropriate) reported to Executive Committees.

6.4 The assumptions underpinning the Council's budget framework are the subject of on-going review, with the results of the most recent such review detailed within this report. There is a risk, however, that these assumptions will understate the overall level of savings required and, on this basis, in 2019/20, it is recommended that potential savings options in excess of this £27.8m baseline assumption be identified.

7. Equalities impact

7.1 While there is no direct additional impact of the report's contents, all budget proposals are now subject to an initial relevance and proportionality assessment and, where appropriate, a formal Equalities and Rights Impact Assessment is then undertaken. The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

8. Sustainability impact

8.1 While there is no direct additional impact of the report's contents, the Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront assessment across these areas, with the main impacts included elsewhere on today's agenda. The Council is also examining the potential to introduce carbon budgeting on a phased basis across its activities.

9. Consultation and engagement

9.1 As in previous years, an extensive programme of engagement on the specific proposals and wider themes comprising the framework will be undertaken.

10. Background reading/external references

10.1 Revenue and Capital Budget Framework 2018/23 – progress update, Finance and Resources Committee, 5 September 2017

10.2 Revenue Budget Monitoring 2017/18 – Update, Finance and Resources Committee, 28 September 2017

10.3 Revenue Budget Framework 2018/23: Mid-Year Review, Finance and Resources Committee, 7 November 2017

10.4 Revenue Budget Framework 2018/23: Progress Update, Finance and Resources Committee, 8 February 2018

10.5 Coalition Budget Motion 2018/19, City of Edinburgh Council, 22 February 2018

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Implementation of full cost-charges in care homes for older people managed by the Council

Item number	7.2
Report number	
Executive/routine	Executive
Wards	
Council Commitments	

Executive Summary

On 27 February 2018, the Corporate Policy and Strategy Committee approved the adoption of a new policy in respect of the setting and application of full-cost charges in care homes for older people managed by the Council. The new policy standardises the Council's approach in this area and ensures compliance with relevant legal requirements and statutory guidance going forward.

In approving the policy, members of the Committee also agreed, however, that there should be no adverse impact on existing residents of care homes managed by the Council as a result of its implementation, providing protection to those who currently pay full-cost charges. In April 2018, there were 61 such residents.

The Council has previously approved a policy whereby most discretionary charges are increased annually at rate of 2% over the prevailing Retail Price Index (RPI). As of March 2018, the RPI rate was 3.3%. On this basis, and in recognising that charges for self-funding residents have not been increased since April 2016, it is proposed that these be increased by 5% with effect from 1 September 2018.

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Report

Implementation of full cost-charges in care homes for older people managed by the Council

1. Recommendations

1.1 Members of the Finance and Resources Committee are asked to approve the proposed increase in care home charges for existing self-funding residents with effect from 1 September 2018 and to refer this report to Council for ratification of this change.

2. Background

2.1 On 27 February 2018, the Corporate Policy and Strategy Committee approved the adoption of a new policy in respect of the setting and application of full-cost charges in care homes for older people managed by the Council. The new policy standardises the Council's approach in this area and ensures compliance with relevant legal requirements and statutory guidance going forward.

2.2 In approving the policy, members of the Committee also agreed, however, that there should be no adverse impact on existing residents of care homes managed by the Council as a result of its implementation, providing protection to those who currently pay full-cost charges. In April 2018, there were 61 such residents.

3. Main report

3.1 The Council currently:

- manages nine care homes in premises owned by the Council;
- manages Gylemuir as an interim care unit in a building leased from BUPA; and
- commissions Four Seasons to manage two care homes in premises owned by the Council.

3.2 All care home residents aged over 65 are entitled to have the personal care and nursing elements of care home fees met by the state, leaving them liable to meet the remainder of the charge. The actual charge to be paid by an individual is means-tested and calculated in accordance with the guidance set out in the Charging for Residential Accommodation Guidance (CRAG) issued by the Scottish

Government. Any resident with capital and/or assets in excess of £27,250 is required to pay the full cost of their care (less the free personal and nursing care elements) until their capital falls below this threshold.

3.3 Cost-modelling work undertaken by Finance staff in 2016 identified significant variation in (then) charging rates according to both the type of care provided and by care home facility, with the actual full costs being incurred much more closely aligned to (higher) fees within the independent sector. Whilst recognising the importance of adopting the underlying principles of consistency and equity through full-cost charging for all residents in Council-run homes, members of the Committee also recommended that appropriate safeguards be put in place for existing residents.

3.4 On this basis, charges for ***new*** residents will be set in accordance with the decision by the Corporate Policy and Strategy Committee in February 2018 i.e. by calculating the coming year's estimated unit costs of provision in December each year, with application from the following April. Charges for ***existing*** residents, however, have been frozen at 2016/17 rates pending completion of the review of care home charges.

3.5 The Council has previously approved a policy whereby most discretionary charges are increased annually at rate of 2% over the prevailing Retail Price Index (RPI). As of March 2018, the RPI rate was 3.3%. On this basis, and in recognising that charges have not been increased since April 2016, it is proposed that these be increased by 5% with effect from 1 September 2018 for existing self-funding residents. Application of this level would result in weekly increases of between £35 and £58, dependent upon the individual's precise care needs.

4. Measures of success

4.1 A consistent and equitable approach is taken to setting charges for those residents of care homes for older people managed by the Council who are liable to meet the full cost of their care.

5. Financial impact

5.1 The proposals approved by the Corporate Policy and Strategy Committee on 27 February 2018 ensure that, going forward, the Council recovers the appropriate level of income from charges relating to the provision of residential care as set out in the CRAG guidance. The proposals also ensure a consistent and equitable approach to setting rates for those clients that are liable to meet the full cost of their care.

5.2 All relevant factors remaining equal, going forward it is anticipated that income received from residents' recoveries will increase. The extent of this increase will, however, be affected by such factors as the level of employee pay award, increases in other operating costs and the number of self-funding clients.

6. Risk, policy, compliance and governance impact

6.1 Continuing alignment of fees to CRAG guidance will ensure that the Council is compliant with relevant statutory guidance in relation to determining the full cost of service provision. The proposals will also ensure that a consistent and equitable approach is taken to setting and applying full cost charges for accommodation managed by the Council.

7. Equalities impact

7.1 Full adoption of, and alignment to, the CRAG guidance will ensure that all residents in care homes managed by the Council who are liable to meet the full cost of their care continue to be treated equitably.

8. Sustainability impact

8.1 There is no sustainability impact arising directly from this report.

9. Consultation and engagement

9.1 Subject to Committee and Council's approval, a communications plan is being developed to advise residents, their families and staff within Health and Social Care of the changes and to respond to any specific concerns they may have.

10. Background reading/external references

10. Full cost charges in care homes for older people managed by the Council, Corporate Policy and Strategy Committee, 27 February 2018

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Asset Management Strategy Transformation Programme - Update

Item number	7.3
Report number	
Executive/routine	
Wards	
Council Committments	

Executive summary

The Asset Management Strategy (AMS) is a significant programme within the wider Council Change Portfolio, aimed at achieving more effective and efficient use of the Council's asset base and associated service provision.

The AMS programme aims to create a credible, focused and sustainable delivery plan for Property and Facilities Management in the broadest sense. It aims to deliver a fit-for-purpose, optimised, effectively utilised and safe estate; providing appropriate levels of service at an acceptable and efficient cost; and, in a commercial manner, which seeks to maximise value and return for the Council.

This paper presents an overview of the status of the programme to date and the work completed since the last reporting period.

Report

Asset Management Strategy Transformation Programme - Update

1. Recommendations

1.1 That the Committee:

1.1.1 Notes the continued progress in each of the key AMS Transformation Progamme work streams;

1.1.2 Notes that the AMS will undergo a mid-point review resulting in a re-profiling of how the approved savings will be delivered and approves the proposal to refresh the Council's Asset Management Strategy to reflect updated assumptions and the further and better information and intelligence gained since this was originally adopted in 2015

1.1.3 Notes the management information dashboard reports at Appendix 1;

1.1.4 Notes the Measurement of Success KPI's at Appendix 2; and

1.1.5 Notes the result of the recent Planned Preventative Maintenance spend in Appendix 3.

2. Background

2.1 The Asset Management Strategy (AMS) is a significant programme within the wider Council Change Portfolio, aimed at achieving more effective and efficient use of the Council's asset base and associated service provision.

2.2 The AMS programme aims to create a credible, focused and sustainable delivery plan for Property and Facilities Management in the broadest sense. It aims to deliver a fit-for-purpose, optimised, effectively utilised and safe estate; providing appropriate levels of service at an acceptable and efficient cost; and, in a commercial manner, which seeks to maximise value and return for the Council.

2.3 When the Finance and Resources Committee considered the AMS on 24 September 2015, it approved the adoption of an in-house delivery model, which included a significant investment in technical support over the next few years. At that time, the Committee requested that a status update be provided every two cycles. This paper presents an overview of the status of the programme to date and the work completed since the last reporting period.

3. Main report

3.1 Progress has been made across the majority of AMS workstreams since the last Committee update. A summary of progress is provided below and the Management Information dashboards containing further information and key performance indicators (KPIs) are provided in Appendices 1 and 2.

Computer Aided Facilities Management (CAFM)

3.2 Fundamental to the overall success of the AMS programme is the implementation of the centralised asset management system known as CAFM. This is an area of of joint activity between the Service and ICT which, to date, has been implemented successfully.

3.3 Delivering a CAFM solution involves improvements to all teams within the Property and Facilities Management Service (Strategic Asset Management, Investments, Soft FM, Hard FM and Capital Programmes). These teams were previously independently managed and held relevant data often on systems that were dated and not fit for for current or future requirements. Whilst this has meant a long process of cleansing and the integration of disparate datasets, it has been a nessessary improvement activity.

3.4 The outputs of this work so far have been as follows:

- For the first time there is now a single ‘source of truth’ for accurate core Property and Facilities Management data.
- The Condition Surveys undertaken in 2016/17 were undertaken electronically, using tablet devices onsite to collect the data in real time within the CAFM system.
- The Management Information data from the Condition Surveys was produced from CAFM and was used to directly inform the Council on the scale of the repairs and maintenance backlog that it faced. CAFM is the system which now holds the details of, and progress updates, on the £153m backlog maintenance programme of works.
- In April 2018, Edinburgh Scientific Services within the Place Directorate moved from a largely paper based process to CAFM for the Council’s Asbestos Surveys. As the estate is resurveyed over the course of routine Management Surveys, CAFM will become the single source for the Council’s Asbestos Register, replacing a 40 year old legacy mainframe system.

3.5 There are a number of ongoing workstreams being progressed in respect of the full deployment of CAFM as follows:

- Hard FM Helpdesk and Contractor Works Ordering is due for completion in May 2018.
- Soft FM Helpdesk and Mobile Working is due for completion in August 2018.
- Annual statutory Asset Valuations is due for completion in 2018/19.
- Estates and Investments Migration is due for completion in 2018/19.
- Capital Projects / Programmes is due for completion in 2018/19.

Facilities Management (FM)

3.6 The matching and assignment for management staff in janitorial, cleaning, catering management, security, commercial management and performance and audit is complete. All management posts, which were the subject of internal and external recruitment, have now been filled.

3.7 The remainder of the FM team contains some 1,800 staff, around 10% of the total Council workforce. The Phase 1 review of this area has brought a range of operational, service user and political issues and sensitivities to bear necessitating a wide ranging and in-depth consultative process.

3.8 The final stage of the FM review was split into two tranches. The complexity and scale of the review has required in depth analysis and it was considered prudent to ensure this was completed, on a building by building basis, before consulting with staff groups.

3.9 The first stage included all of the remaining janitorial staff within a consultation process which was launched in May 2017. In addition to the formal consultative process with staff and trade unions, wide ranging engagement was undertaken with the Communities and Families Directorate, and other key stakeholders such as Head Teachers and Community Centre Management Committees. As previously reported, a review of the catering staff was not required due to increasing demands for the service within schools and the new statutory obligations to increase provision for early year's establishments. Further Information on the catering service can be found in a report to the Education, Children and Families Committee on 13 December 2017.

3.10 The Communities and Families Directorate were specifically consulted on the new operating model for the core service provision to schools and nurseries throughout the City. This was then taken out for further consultation with staff and trade unions. Consultation closed in December 2017 and formal briefings on this element of the AMS were offered to all political groups, and took place, in January and February 2018.

3.11 Formal agreement on the final model to be implemented was reached in March 2018, and the model presented to the trade unions shortly thereafter. Both UNISON and UNITE the Union have recommended to their members that they accept the new service model and this was formally consulted on within the respective trade union memberships.

3.12 Presentation of the final model to all staff took place throughout April 2018, followed with a programme of 1:1 meetings, which will determine allocations of staff and time to Council buildings. At time of writing, most janitors will be matched into their existing place of work.

3.13 The new model will be formally implemented and deployed at the start of the new school year, following the summer break, and a full mobilisation project has commenced to enable this to occur. FM processes continue to be developed alongside the refinement of the future organisational structure to document and improve ways of working, including an end to end re-design of the helpdesk service within Customer Services and IT to further improve efficiency.

3.14 The second phase of the FM review involves consideration of the Council's cleaning services. There are currently over 1,000 cleaning staff engaged by the Council on a range of contracts, both as direct employees and sourced through employment agencies. The review of this function in the first instance will focus on the role of cleaning supervisors and will begin in August 2018.

3.15 The original savings profile presented to the Finance and Resources Committee in November 2015, arising from the FM review, was predicated upon a business plan that assumed a three day week clean across the whole of the operational esate. Should this underlying assumption be altered through consultation, then the associated savings profile will also need to be altered. Committee is also reminded that the unbudgeted new builds, from a recurrent revenue perspective, between November 2015 and August 2018 will have a negative impact upon the assumed cleaning savings profile as well.

Asset Condition

3.16 The results from the estate wide condition surveys which concluded in September 2017 provides the Council with improved quality management information for estate planning. The survey outputs were delivered as a series of briefings for elected members through which an accurate picture on the condition of the estate could be presented.

3.17 The management information was critical in securing the support from Council for an additional £50m to create a £120m capital programme of asset upgrade over the next 5 years, allowing a rational, comprehensive programme of asset upgrade to be delivered, rather than the previous focus on health and safety and wind and watertight matters only. This approach will also fundamentally shift the Council from a reactive repairs and maintance focus to a planned preventative regime by addressing the underlying backlog which has accumulated for many years.

3.18 Property and Facilities Management has now commissioned year 1 of the 5 year upgrade programme for delivery in 2018/19, focusing on those buildings in the most need of upgrade. The service continues to mobilise to deliver the increased spend and further reports will provide an update on progress on both capital asset management works and planned preventative maintenance.

3.19 Additional funding for planned preventive maintenance of £8.5m was made available for the 2018/19 financial year. The sum made available in 2017/18 enabled a programme of works that targeted the Council's most vunerable clients across special schools, YPC residential units, care homes for the elderly and language classes within schools. The aim was to refurbish and make the environment as safe and calm as possible through the use of colour, safe spaces, better use of materials (acoustic flooring as noise can be very distressing for people with autism or dementia but also hygiene surfacing because of incontinence or infection), use of fixed storage to remove items that could be thrown, additional security such as viewing panels, internal gates, alarms, lighting. Safety items were also enhanced given the vulnerability of all users.

3.20 An example of before and after photographs are attached as Appendix 3 to this report to give the Committee a stronger sense of the progress that has been achieved. The Corporate Health and Safety Team has further advised that an initial review of Violence and Aggression statistics in Quarter 1 2018 shows that:

- 63 incidents were reported in Special Schools compared with 178 in Quarter 1 2017 (65% decrease).
- 86 incidents reported in Primary Schools compared with 144 in Quarter 1 2017 (40% decrease).

Estate Rationalisation

3.21 Having completed recent building exits, early work is being undertaken on shared use of assets with our partner agencies both Council and non-Council. This includes the work under the auspices of the Land Commission of the Edinburgh Partnership, chaired by the Council's Chief Executive.

3.22 Key deliverables achieved from an estate rationalisation perspective over the previous financial year were:

- Planning and delivering the exit of Lothian Chambers and 329 High Street to achieve running cost savings and significant capital receipts.
- The completion of Lothian Chambers to the French Consulate for £2.95m.
- The progression of the long-term lease of 329 High Street for £3.15m.
- Redesigned the Customer Hub and associated services at 249 High Street to receive services from exited buildings, while improving the citizen and staff experience.
- Provision of a new marriage service suite with the City Chambers.
- Remodelling of Waverley Court to free up surplus space for future income generation streams by leasing space, while also supporting the co-location of services and teams following the Council's Transformation Programme and associated organisational reviews.
- Exiting 1A Parliament Square, 4 years before the end of the lease, to deliver running and lease cost savings.
- Remodelling the 4 locality offices, relocating staff from corporate premises to localities to reflect their new work locations and focus, whilst bringing together locality teams to enable better joint working, in particular the Health and Social Care Partnership hub and cluster model.
- Closure of Powderhall depot, which will be demolished in the near future and the site developed for Council housing.

Investment Portfolio

3.23 The management of the commercial portfolio continues to perform ahead of expectation, and an increase in excess of the 2% target for 2017/18 was achieved. This was realised through effective commercial management of the portfolio to ensure that letting voids are kept to a minimum. There have also been several strong rent review settlements contributing to rental growth.

3.24 Following the success of East Hermiston Business Park, similar opportunities to enhance the quality of the Council's investment portfolio are being considered.

3.25 Work is continuing with financial savings opportunities previously identified, which are recorded in the savings tracker. Future major events in the portfolio, such as lease expiry dates for major income producing assets continue to be actively managed to protect against any short-term loss of income, while the future of such assets is determined.

Mid-Point Review

3.26 The original AMS business case identified significant financial and non-financial benefits associated with asset management and the Property and Facilities Management Service which were in line with the wider objectives of the Council's Transformation Programme, at that time. The successful implementation of phase 1, 2 and 3a organisational structure reviews generated recurring savings year on year of circa £700k.

3.27 Although the AMS aims to principally deliver revenue savings targets through estate rationalisation, organisational redesign and investment portfolio initiatives, there are also consequential impacts on the capital budget that need to be carefully monitored. This includes, for example, capital requirements as part of any implementation costs and capital receipts from any proposed disposal initiatives.

3.28 The AMS programme to date has delivered significant benefit to the Council specifically in the areas of estate surveys and subsequent approval of a repair programme; delivery of FM review stages 1 and 2; reconfiguration of Waverley Court; ongoing delivery of CAFM; the disposal of significant assets; the management of, and considerable uplift in rental income through the investment portfolio, the successful consolidation of property budgets centrally within Property and Facilities Management; an agreed new janitorial model with, for the first time, Service Level Agreements (SLAs) in place between service areas.

3.29 At the same time, it is clear that the programme has struggled with attempts to drive the speed of and achieve the level of savings proposed in the original strategy and underlying assumptions approved in 2015. This is directly as a result of some the original business plan assumptions proving to be inaccurate. A review of these are as follows:

FM Transformation

3.30 As previously advised, the original business plan assumed that the revenue costs associated with any new builds would be allocated as part of the business case for the asset. While this has now been addressed moving forward, following the decision of the Finance and Resources Committee on 27 March 2018, it still leaves a considerable gap for the period between September 2015 and August 2018. This was previously highlighted to Councillors through the provision of a detailed before and after revenue cost profile for the new Boroughmuir High School. A further example is provided on the Rising School Rolls – Phase 6 report on this agenda.

3.31 In summary, the impact of a lack of revenue investment in new builds has led to a significant dilution of proposed savings through pressures being applied to the FM model, compared to original assumptions and expectations. The original savings profile for the next phase of the FM review on cleaning services, will likely also be impacted, even without the original three day clean proposal being unlikely to receive universal support.

Estates Rationalisation

3.32 The original assumptions around closing and disposing of property has proved not to be accurate. While there has been some success in corporate office rationalisation and the depots, around 80% of the operational estate remains untouched and, as noted, is growing in size with this trend currently forecast to continue.

3.33 The Corporate Landlord approach to the AMS strategy has its limitations as the transfer of property related budgets in to the corporate service in itself did not give the ability to make disposal/rationalisation decisions without agreement of the with client service.

Concessionary Lets

3.34 The original business plan assumptions for the AMS relating to Concessionary Lets have not proven accurate, in that, the timing, legal, service provision, local and political issues and impacts were not adequately factored in to the financial outcomes expected to have been delivered. These decisions are much more nuanced that simple financial extrapolation would suggest and the original AMS business plan did not give sufficient regard to these factors.

Investment Estate Strategy

3.35 While a significant amount of savings have been delivered in this area, they have not been achieved, in the main, from the approach outlined in the original business plan.

3.36 The business case recommended the implementation of a clear investment strategy to be applied to the existing portfolio which, if implemented, would have resulted in a smaller, more focused and better performing portfolio. This was predicated on the disposal of a number of assets, considered to be poor quality, with the proceeds being reinvested in a fewer number of superior quality assets showing a similar level of rental return. These assumptions did not stack up for the following reasons:

- Reducing the number of assets in the investment portfolio immediately creates a budget pressure due to the loss of the rental income which, in turn, significantly increases the impact of rental voids on the overall portfolio performance, i.e., the model did not reflect how the Council manages its revenue budget whereby rental income is assumed to have been achieved when the budget is set for the following financial year.

- The cost of acquiring investment assets at a lower yield to achieve the same rental income costs significantly more than the market value of the assets being sold, e.g., selling £100k of rental income at a 10% yield equates to a selling price of £1m; acquiring £100k of rental income on a 5% yield costs £2m.

- The assumption that investment assets of the type required, could be readily acquired on the open market without competition lacked sufficient contextual and market awareness.

3.37 The combined challenge of these assumption and the inability to deliver projected savings will require a full and formal re-evaluation of the AMS, led by Council Officers. Such re-evaluation will require more robust assumptions that address the reality of such issues and are not simply driven by a 'desktop' approach. For example:

- Far from the stated aim of the AMS of the estate footprint shrinking, the footprint has in fact been growing significantly. Forward projections do see Edinburgh as an expanding city and economic growth does bring with it a rising demographic. National Government policy, such as the expansion of early years places, has also added both to this estate growth agenda and the need for supporting services to sustain it.

- Linked to the above, old school buildings, reaching the end of their lifespan, are replaced with schools containing modern technology, and environmental conditions designed to improving learning environments such as the reduction of CO2 levels. These new buildings offer a far better learning environment, but are also more expensive to run. The assumption that new buildings are cheaper to run is a misnomer, due to the higher running costs more sophisticated buildings, and the inevitable increase in non-domestic rates, given that older building valuations are discounted to reflect obsolescence, while the new buildings are not. While the AMS assumed savings could be made from maintenance costs, there was already insufficient funding targeted at maintenance which has manifested itself in a huge backlog maintenance issue, i.e., even if efficiencies are created in this area, the budget cannot be cut to create a tangible saving due to the need elsewhere.

- There is a clear investment strategy in place which is consistently producing above average returns for the investment portfolio. However, this will be reviewed in the context of driving out further rental income. There are opportunities but they come with risks, for example, there is a huge financial opportunity with digital advertising but this has significant planning risk. Proposals for new stock such as the 16 industrial units at Sighthill Industrial estate on a spend to save basis will also be scoped.

- Progress is being made on the move of away from concessionary rents to market based levels. There are a significant number of these to process and in some cases the proposed increases in rental levels result in significant community and political engagement. The concessionary lets approach needs to be reconsidered in the context of the existing leases to establish what is achievable in this area.

- The rationalisation of assets in the office and depots portfolio has been successful however to meet the existing and future savings targets a more radical approach is required to the remainder of the estate. This will focus on taking between 15-20% of the cost out of total property costs.

- Further organisational re-shaping within the Property and Facilities Management Service may be required involving proposals for efficiencies within the Investment, Estates and FM delivery areas, including targeted VERA opportunities.

3.38 The Committee will be updated and consulted on any new initiatives as part of the future update reports, which will also track progress on the refresh of the AMS.

4. Measures of Success

4.1 The AMS business case identified significant financial and non-financial benefits associated with the asset management and Property and Facilities Management function that are in line with the wider objectives of the Council's Transformation Programme.

4.2 A benefits tracker has been designed to monitor the qualitative and non-qualitative benefits of the AMS Transformation Programme and, where possible, the corresponding implementation costs associated with the initiatives. Although AMS aims to principally deliver revenue savings targets through estate rationalisation, organisational redesign and investment portfolio initiatives, there are also consequential impacts on the capital budget that also need to be monitored. This includes, for example, capital requirements as part of any implementation costs and capital receipts from any proposed disposal initiatives.

4.3 The benefits tracker therefore tracks the revenue and capital implications of any financial savings initiatives. These benefits, along with qualitative impacts, have been categorised into the following three areas:

1. Direct cashable savings e.g. reduced operating costs from closure of a building;
2. Non-cashable efficiencies e.g. the reduction in required revenue maintenance spend as a result of the building closure (which is then redeployed); and
3. Qualitative benefits e.g. improved customer satisfaction in relocating a service to a property that is more fit for purpose.

4.4 The benefits tracker has been populated based on emerging findings to date. Further work is currently underway to refine initiatives in all work streams and, once respective milestones have been reached across these work streams, the benefits tracker will be fully populated and act as a baseline from which the benefits can be measured.

4.5 The Management Information dashboards provided in Appendix 1 have been developed to track key KPI's across the AMS work streams.

5. Financial impact

5.1 Since the report Asset Management Strategy Transformation Programme – Update to the Finance and Resources Committee on 5 September 2017, the AMS savings tracker has been subject to ongoing monthly stress testing and update by the Asset Management Strategy Steering Group. The tracker sets out the re-profiled AMS savings targets reported to the Finance and Resource Committee on 1 December 2016 and the AMS savings forecast through to 2020/21. The additional savings required for F/Y 2018/19 have been added to the forecast to give the overall picture with the tables below provides the current forecast of savings. Forecast savings are categorised as:

- green – delivered/clear track to delivery;
- amber – savings proposal developed, but further implementation planning required; and
- red – shortfall against savings target. Further development of delivery of savings target required.

Asset Management Strategy

Savings Tracker – 27 April 2018

Asset Management Strategy Savings Tracker	**2017/18 £m**	**2018/19 £m**	**2019/20 £m**	**2020/21 £m**
SAVINGS TARGETS				
Service Redesign	0.700	1.900	1.900	1.900
Estates Rationalisation	0.600	2.000	2.200	2.200
Investment Estate	0.300	1.900	2.100	2.100
TOTAL SAVINGS TARGET	**1.600**	**5.800**	**6.200**	**6.200**
FORECAST SAVINGS				
RED	0	2.574	2.237	1.892
AMBER	0	0.943	1.468	1.618
GREEN	1.603	2.283	2.495	2.690
TOTAL	**1.603**	**5.800**	**6.200**	**6.200**

Additional 2018/19 Savings

Savings Tracker	**2017/18 £m**	**2018/19 £m**	**2019/20 £m**	**2020/21 £m**
SAVINGS TARGETS				
Service Redesign	0.000	0.532	0.532	0.532

Estates Rationalisation	0.000	0.550	0.550	0.550
Investment Estate	0.000	0.250	0.250	0.250
TOTAL SAVINGS TARGET	**0.000**	**1.232**	**1.232**	**1.232**
FORECAST SAVINGS				
RED	0	0.532	0.532	0.532
AMBER	0	0	0	0
GREEN	0	0.700	0.700	0.700
TOTAL	**1.603**	**1.232**	**1.232**	**1.232**

CONSOLIDATED FORECAST SAVINGS				
RED	0	3.106	2.739	2.424
AMBER	0	0.943	1.468	1.618
GREEN	1.603	2.983	3.195	3.390
TOTAL	**1.603**	**7.032**	**7.432**	**7.432**

5.2 Taking the revised forecast savings from the consolidated forecast, savings of £2.98m in 2018/19, rising to £3.39m by 2020/21 are forecast to be delivered or fully on track to being delivered. A further £0.943m of savings in 2018/19, rising to £1.6m by 2020/21 is also on track to be delivered, but requires further implementation planning, supported by Finance. Property and Facilities Management is developing measures to achieve delivery of the remaining savings target of £3.106m in 2018/19, reducing to £2.424m by 2020/21.

6. Risk, policy, compliance and governance impact

6.1 The following are the identified risks to the delivery of the AMS as currently defined:

- There is a risk that the assumptions underpinning the original business case were not accurate. This is particularly acute in two areas. Firstly, the assumption that the new build estate would have a pro rata allocation of revenue budget with forecast pressure for 2018/19 is £3.5m pa and, secondly, that all concessionary lets could be reviewed to market rent over a five- year period. This has proven to be legally difficult to achieve as many of these leases are on long tenures that cannot be terminated unilaterally.
- There is a risk that an economic downturn in the property rental market results in reduced income.

- There is a risk that proposals for estate rationalisation are delayed and/or re-shaped through the processes of stakeholder engagement.
- As a result of the ongoing development of proposals for Edinburgh Leisure to take control of Council assets for recreational use, there is a risk that the additional coverage required from FM will erode savings in the AMS programme unless additional budget is provided.
- There is a risk that a delay to the implementation of CAFM impacts on the delivery of the Blueprint and cost savings profile.
- As reported previously there is also a risk that a lack of stakeholder and political support for the Property and Facilities Management transformation proposals leads to a failure to deliver the agreed cost savings.
- There is a risk that a lack of capital funding, due to budget constraints, leads to the Councils inability to reduce the backlog maintenance across the estate.

7. Equalities impact

7.1 The contents and proposals of this report have been assessed with respect to the Equality Act 2010 public sector equality duty. In this regard, an equality and rights impact assessment has been initiated, and initial findings have indicated:

7.2 Reducing property costs will enable greater savings to be realised, which in turn will enable more effective protection of frontline services to vulnerable citizens, and meeting demographic pressures

7.3 Projects exploring the feasibility of asset transfer to community groups could empower communities, particularly those in deprived communities.

7.4 Any impacts on employment conditions as a result of different service delivery models will be assessed further through the impact assessment process.

7.5 Any changes to concessionary lets to third sector and community groups, and consequent impacts, could be managed through the grants and contracts process.

7.6 Co-location opportunities, if delivered, could improve and simplify access to council and partner services, especially those individuals or families who require multiple services.

7.7 Proposals to improve the coordination of asset management, and to drive forward property rationalisation, should lead to improvements in physical accessibility at council premises.

8. Sustainability impact

8.1 The contents and proposals contained in this report have been assessed with respect to the Climate Change (Scotland) Act 2009. In this regard, a sustainability, adaptation and mitigation impact assessment has been initiated, and initial findings have indicated:

8.2 Proposals to improve the coordination of asset management, and to drive forward property rationalisation, should lead to improvements in physical accessibility at council premises.

8.3 A need to further improve energy efficiency within council buildings in order to tackle greenhouse gas emissions, and to save money on energy costs and carbon taxes.

8.4 A need to further improve internal waste reduction measures within council buildings, linked to the council's wider waste minimisation strategy. Such improvements will lead to savings being released from landfill taxes and carbon taxes, and will militate against greenhouse gas emission which emanate from landfill.

8.5 Opportunities to minimise staff travel through smarter working and co- location across the council's estate should save the council money on transport costs, carbon taxes and will militate against greenhouse gas emissions.

8.6 Any future facility management service delivery models would need to take cognisance of the 'Food for Life' and 'Soil Association' accreditation projects to ensure the food provided in council premises was sustainable, sourced locally and seasonal.

9. Consultation and engagement

9.1 Communications have been established with the Trade Unions and regular meetings are held in relation to transformation. Engagement across the Council and with wider stakeholder groups has been, and continues to be, widespread in relation to the re-design of the FM function.

10. Background reading/external references

10.1 Please refer to: September 2015, November 2015, January 2016/March 2016, June 2016, September 2016 (item 7.2) December 2016 , February 2017,January 2018 Finance and Resources Committee papers.

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11. Appendices

Appendix 1 – Asset Management Strategy Programme Dashboard
Appendix 2 – Asset Management Strategy KPI Dashboard
Appendix 3 - Update on Planned Preventative Maintenance Spend

Appendix 1

Asset Management Strategy Programme Dashboard

Programme Progress: April 2018

Current Period Trend	Previous Period Trend

Programme/Project Description including Summary for Period

The Asset Management Strategy (AMS) is an extensive transformational programme related to the review and refinement of the way in which the Council manages its corporate asset portfolio. It aims to deliver significant savings over a 5 year period.

It comprises of several workstreams:

Asset Condition	Estates Rationalisation
Facilities Management Transformation	Investments

	Key Completed Activities This Period:		Key Planned Activities Next Period:
1	**Facilities Management Workstream -** Phase 2 of the janitorial review has completed. ICT, CAFM and Health &Safety training programmes have been developed and are ongoing.	1	**Facilities Management Workstream -** Implementation of new Janitorial model. Cleaning Review to begin August 2018.
2	**Asset Condition Workstream – Council approved an additional £48m capital budget in February 2018.**	2	**Asset Condition Workstream -** Programme of works to tackle D elements has been commissioned and year 1 programme established
3	**Estates Rationalisation Workstream -** The exit of 329 High Street and Lothian Chambers is complete.	3	**Estates Rationalisation Workstream -** Re-stack of Waverley Court ongoing. Restack to locality offices due Q1 2018.
4	**Investments Workstream –** Sale of Lothian Chambers complete	4	**Investments Workstream -** . Exiting of 329 High St and 1a Parliament Sq on programme.

Project Workstream(s)	RAG	Reason for RAG Status (Time/Cost/Quality/Resource, etc)
Facilities Management Transformation	**R**	Go-live originally proposed for December has now been planned for Summer 2018 due to extended consultation phases. Savings targets will be re-profiled alongside a consideration of the approach the Service takes to the cleaning review.
Asset Condition	**R**	The survey of the full operational estate was completed in September, and Council approved an additional £48 million capital budget in February 2018. A programme of investment in the D rated elements of the estate has been commissioned.
Estate Rationalisation	**A**	The exit of 329 High Street and Lothian Chambers is complete. A significant income stream is expected to be generated by CGI co-locating in Waverley Court, rental charges beginning in April 2018. Other options for further estate rationalisation require engagement at political level.
Investments	**A**	Rental income growth forecast has been reduced for years 4 and 5 to 1.5% from 2.5% to reflect potential economic uncertainty. Improving political acceptance of concessionary lets policy however targets for years 3 onwards are still challenging.

Programme Dependencies

- Continued resource and resource commitment to facilitate CAFM implementation
- Stakeholder support in relation to FM re-design.
- Stakeholder support in relation to estates rationalisation.
- Stakeholder commitment to capital and revenue costs associated with AMS delivery

Appendix 2

Measurement of Success KPIs: April 2018 Update

Investment Portfolio

- Capital receipts from disposals - **Lothian Chambers and 329 High Street complete**
- Value of re-investment projects - **(Long term)**
- Capital Growth – **(Long term)**
- Income maximisation; - **(Long term)**
- Increased income as a result of rent reviews and reduction of concessions (*% of properties at market rent*) **(Long term)**

Estate Rationalisation

- Reduction in operational property costs – **Restack of Waverley Court commencing September 2017**
- Increase in income from operational assets – **CGI lease in progress for Waverley Court**
- Reduction in operational estate footprint. - **Lothian Chambers and 329 High Street complete**
- Increase in desk to FTE ratio – **CLT decision to return to 7 to 10 desk ratio across the estate**
- Number of teams supported in a co-located environment. – **Locality Office restack in development**
- No of properties closed/exited – **Lothian Chambers and 329 High Street complete.**

Facilities Management

- New SLA's developed – **Signed Off with the Senior Stakeholder Group**
- Number of SLA breaches – **To be tracked from August 2018 for ongoing review**
- Headcount reduction - **(Mid – Long term)**
- Non-core FM services fully recharged to Primary Customers – **TBC on launch of model**
- Number of helpdesk calls / repeat calls for same issue - **(Long term)**
- Customer satisfaction ratings **(Long term)**
- Formation of new Facilities Management OD Structure – **Management structure fully in place**

Asset Condition

- Milestone progress (tracking tasks and activities). **Tracked each month with 70% of survives complete**
- Current maintenance spend to date vs. planned (planned vs actual) – **total required min £153m.**
- Progress of condition survey programme - Full and high risk surveys - **Benchmark of 20% P/A**
- Number of Health & Safety related (reportable) incidents. - TBC
- Estimated backlog maintenance – total required min £153m.

WORKSTREAM COMPLETE

Transition

- No. FTE's delivering Property and Facilities Management services - **COMPLETE (as per business case)**
- Budget consolidation from service areas – **COMPLETE (as of March 2017)**
- Progress of Property and Facilities Management transfer to Corporate Operations [short term] - **COMPLETE**
- ESRS, EBS (non-housing) & PPP transfer into Property and Facilities Management . - **COMPLETE**
- Departmental FTE's transferring into Property and Facilities Management . - **COMPLETE**
- Formation of new Property and Facilities Management OD structure – **New Management Structure in place**

Appendix 3

Additional Planned Preventative Maintenance (PPM) funding in financial year 2017/18 was targeted at facilities hosting some of the Council's most vulnerable clients, namely

- Language classes in assisted support classrooms (14 over 6 schools) for children with additional needs, mostly on the autistic spectrum;
- Special Schools;
- YPC residential Units;
- Care Homes for the elderly;

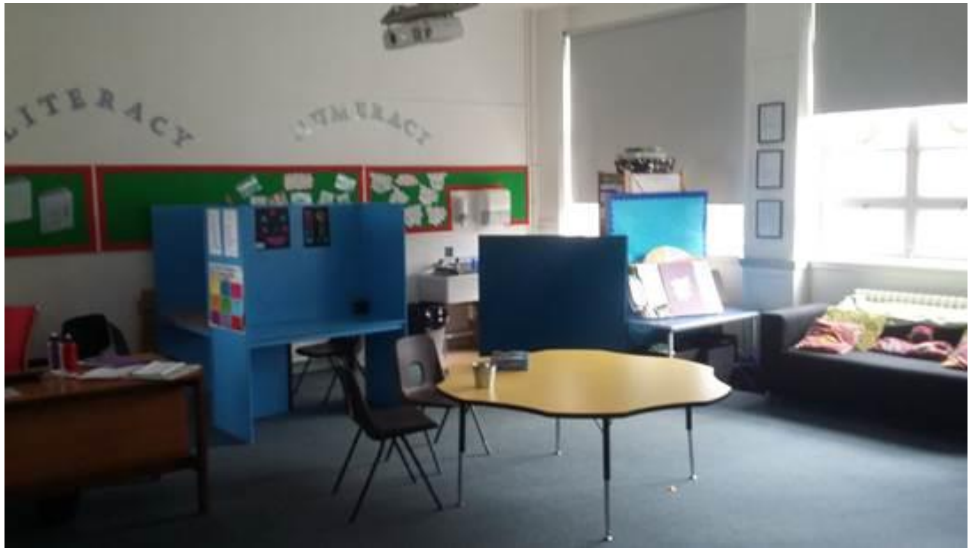
The aim was to refurbish and make the environments as safe and calm as possible through the use of colour, safe spaces, better use of materials such as acoustic flooring and hygiene surfacing, use of fixed storage to remove items that could be thrown, and additional security and safety items.

The approach taken to these works involved collaboration on-site between construction/design professionals and the various stakeholder groups. The feedback from client, both short and long term, will inform decisions on future works and refurbishments.

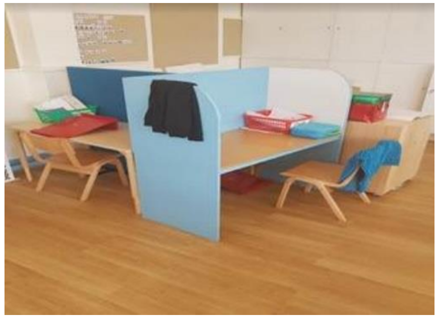
Craigentinney Primary School, language classes before the refurbishment.

Craigentinney language classes after the refurbishment: 2 x full Language class refurbishments & addition of sink, storage, focus screens & pin-boarding.

Murrayburn Primary School before refurbishment.



Murrayburn Primary School after refurbishment: 4 x full Language class refurbishments, storage, focus screens & pin-boarding and creation of safe space



Murrayburn Primary School – Playroom: Before refurbishment.

Murrayburn Primary School – Playroom: After refurbishment of playroom to create in inclusive play-space for all pupils.

St Cuthbert's Primary School: Before refurbishment.

St Cuthbert's Primary School after refurbishment: storage, focus screens & pin-boarding and strengthening of walls, & replacement lighting.

Cramond Primary School before refurbishment.

Cramond Primary School after refurbishment.


Teach
Learn
Grow . . .

Trinity Primary School before refurbishment:

Trinity Primary School after refurbishment:

Trinity Primary School – P7 Agile Learning Spaces

Natural Timber Flooring & Limestone Effect Carpet

Acoustic Pin-boards

Designed in Collaboration with the student and teacher's request for a sophisticated "Costa Coffee" style space, the variety of zones and furniture types suit the learning style, activity and active teaching methods currently adopted at Trinity. The new environment supports and enhances the vision being delivered by the school

Quiet Space

Additional screen for digital display of work and collaboration between students through ability to cast IPad screen to larger display using Apple TV devices

" We want to have the option to work alone, collaboratively, in small and large groups with comfortable furniture and integrated technology"

"We want space to display our work clearly and to store our resources without creating a messy feel to the space to allow us to feel calm, proud and able to concentrate"

Finance and Resources Committee

10.00 am, Tuesday, 12 June 2018

Rising School Rolls – Phase 6

Item number	7.4
Report number	
Executive/routine	**Executive**
Wards	**All**
Council Commitments	

Executive Summary

On 27 March 2018, the Finance and Resources Committee considered a report on Property Condition Project – Delivery Programme and approved that all future capital investment reports before any Committee of the Council, that had revenue implications and dependencies, be referred to the Finance and Resources Committee for approval.

The report specifically referred to the proposed new Queensferry High School and Rising Schools Rolls Phase 6.

The financial business case for Queensferry High School was approved by Committee on 27 March 2018 and the purpose of this report is to address the implications of Rising School Rolls - Phase 6.

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Report

Rising School Rolls Phase 6

1. Recommendations

1.1 That Committee:

1.1.1 Notes the contents of this report.

2. Background

2.1 On 15 August 2017, the Education, Children and Families Committee considered a report on School and Lifelong Learning Estate Strategic Review. Part of the report set out the requirements for the Rising School Rolls (RSR) project for August 2018 and August 2019. The capital cost of the project is funded from a combination of the existing rising school rolls capital budget and agreed developer contributions.

2.2 On 27 March 2018, the Finance and Resources Committee considered a report on Property Condition Project – Delivery Programme and approved that all future capital investment reports before any Committee of the Council, that had revenue implications and dependencies, are referred to the Finance and Resources Committee for approval. The report specifically referred to the proposed new Queensferry High School and RSR Phase 6.

2.3 The financial business case for Queensferry High School was approved by the Finance and Resources Committee on 27 March 2018, and the purpose of this report is to address the implications of RSR Phase 6.

3. Main report

3.1 The delivery of RSR Phase 6 is a combination of new extensions and temporary units, expected to be delivered for the start of the new school term in August 2018.

3.2 Appendix 1 sets out the location; gross external area, notional additional capacity; construction cost, timescale; capital lifecycle cost; and revenue cost per annum of the new accommodation.

3.3 The operational revenue cost is a combination of non-domestic rates, utility costs and soft FM costs such as cleaning and janitorial services.

3.4 In addition to the RSR project, there are two other additional Communities and Families facilities due to be delivered by August 2018.

- The new Tynecastle nursery is due to be occupied in August 2018. The asset has been delivered as part of the Heart of Midlothian stadium redevelopment and will be leased to the Council at a peppercorn rent. However, the running costs of the old nursery were used to fund the revenue cost of a temporary TU, which will now be relocated to Sighthill PS. Consequently, the revenue cost of the new nursery is estimated at £36,327 pa. This excludes non-domestic rates as it is assumed that following the recommendations from the Barclay Review rates exemption for nurseries will be applied.
- The new gym hall and nursery adjacent to Leith PS is also due to be ready in August 2018 as part of the capital investment programme. The existing revenue budgets for the old facility have again been used to fund a temporary TU that will be moved to Craigmillar Child and Family Centre. The revenue cost for the new build at Leith PS is estimated at £79,700 pa. This is inclusive of non-domestic rates as it is unlikely the combined facility will qualify for rates relief.

4. Measures of success

4.1 Delivering the additional accommodation in time for the new school year in August 2018.

4.2 Ensuring that the Council meets it statutory obligation of providing education through the delivery of the infrastructure required.

5. Financial impact

5.1 The capital costs of the projects highlighted in this report are funded from approved capital funding for RSR; third party contributions and the capital investment programme.

5.2 It is assumed that the capital life cycle costs will be funded from future allocations to asset management works programme.

5.3 As with RSR phases 1 to 5, the revenue cost will be absorbed within existing property and facilities management budgets.

5.4 The revenue cost of the new Tynecastle Nursery will be absorbed within existing property budget and facilities management budget.

5.5 The revenue cost of the new Leith PS gym and nursery will be absorbed into existing budgets.

6. Risk, policy, compliance and governance impact

6.1 There is a risk that the accommodation will not be delivered by August 2018. This has been mitigated by planning ahead in terms of design, statutory consents and construction tender.

6.2 The currently approved Deloitte Asset Management Strategy in 2015, assumed that all new build accommodation would have a separate and recurrent revenue allocation provided for so that it did not create an unfunded pressure that would impact the delivery of future property related savings. This assumption is now flawed with a significant risk that the approved savings cannot be delivered on the basis of that business case. Consequently, a refresh and reprofiling of the Asset Management Strategy will be required during the course of this financial year. A separate report to the Committee will provide a broader update on the Asset Management Strategy to enable further consideration of these issues.

7. Equalities impact

7.1 There are no equality issues arising for this report.

8. Sustainability impact

8.1 There are no sustainability issues arising from this report.

9. Consultation and engagement

9.1 Not applicable.

10. Background reading/external references

10.1 None

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11. Appendices

11.1 Appendix 1 – Rising Schools Rolls

Appendix 1 – Rising School Rolls

Location	Net Additional GIA M2	Notional Additional Capacity	Scope of works	Capital Construction	Target Timescale	Operational Capital Costs £8.34 per m2 p.a	Operational Revenue Costs £85.66 per m2 p.a.
Davidson's Mains PS	761	240	8 classrooms - new standalone building	£2,160,420	Aug'18	£6,347	£65,187
Granton PS	185	60	2 classrooms – extension to existing RR building	£755,908	Aug'18	£1,543	£15,847
Stockbridge PS	151	60	2 classrooms - new standalone building	£803,722	Aug'18	£1,259	£12,935
Trinity PS	192	60	2 classrooms - new standalone building	£910,936	Aug'18	£1,601	£16,447
Currie PS	333	120	4 classrooms – new standalone building	£1,057,209	Aug'18	£2,777	£28,525

Clermiston PS	179	60	2 additional classrooms – new modular unit	£252,000	Aug'18	£1,493	£15,333
Cramond PS	149	60	2 additional classrooms – extension to existing school with modular units	£240,000	Aug'18	£1,243	£12,763
James Gillespies PS	208	60	2 additional classrooms – new modular unit (New 4 classroom unit with existing class TU demolished)	£377,640	Aug'18	£1,701	£17,817
Newcraighall	88	30	Newcraighall 1 additional classrooms - new standalone building (New 3 classroom unit with existing 2 class TU demolished)	£301,000	Aug'18	£734	£7,538

Victoria PS	179	60	Victoria 2 additional classrooms – new modular unit	£232,000	Aug'18	£1,493	£15,333
TOTAL	**2,425**	**810**		**£7,090,835**		**£20,191**	**£207,725**

Finance and Resources Committee

10.00a.m, Tuesday 12 June 2018

Spend to Save - Funding Applications

Item number	7.5
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

As part of the approved budget motion for 2018/19, Council agreed in-principle use of the Spend to Save Fund to take forward investment in two projects concerned with LED lighting in public spaces and buildings (indicative allocation £0.300m) and cultural venue equipment (indicative allocation £0.200m) respectively. In agreeing this in-principle funding, it was indicated that more detailed proposals would be reported to a subsequent meeting of the Finance and Resources Committee. This report provides further details of the projects concerned.

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Report

Spend to Save - Funding Applications

1. Recommendations

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

1.1.1 Consider the undernoted Spend to Save applications and, subject to approval, refer this decision to Council for ratification of use of the Fund for the project(s) concerned.

2. Background

2.1 As part of the approved budget motion for 2018/19, Council agreed in-principle use of the Spend to Save Fund to take forward investment in two projects concerned with LED lighting in public spaces and buildings (indicative allocation £0.300m) and cultural venue equipment (indicative allocation £0.200m) respectively. In agreeing this in-principle funding, it was indicated that more detailed proposals would be reported to a subsequent meeting of the Finance and Resources Committee.

3. Main report

Light-Emitting Diode lighting in public spaces and buildings

3.1 Light-Emitting Diode (LED) lamps are now recognised as being both more efficient and cheaper to run than previous forms of lighting. They use significantly less electricity than many standard lamps, whilst lasting up to ten times longer, thereby reducing maintenance costs.

3.2 It is proposed that targeted lighting and lighting control upgrades be carried out in operational properties within the Council estate. Qualifying projects will be prioritised based on the following criteria:

- financial and resource savings;
- carbon and sustainability benefits (specifically reductions in electricity consumption and waste materials);
- level of improvement to the fabric of the building; and
- level of improvement to internal/external light levels.

3.3 Savings will be calculated based on both electricity and maintenance savings. Funding will be provided for projects with up to a five-year simple payback period. Whilst many projects will deliver payback within this period, where project costs exceed the standard five-year payback, alternative funding will be sourced from appropriate property funds based on their contribution to improving fabric and internal/external light levels and associated health and safety requirements.

3.4 Projects will focus on three main areas:

1. External Lighting

External lighting is present across the Council estate to illuminate buildings for both access and security throughout the hours of darkness (around 5,000 hours per year). There can be large energy savings by upgrading to low-energy LED lamps and introducing daylight controls to ensure lights are only on during darkness.

2. Internal High-Level Lighting

The Council has several large buildings with high-level lighting, such as depots and stores. These lamps are predominantly high-output fittings due to the distance to the working area below. Due to the short lamp life of older fittings and the requirement for access platforms, maintenance costs can be high. The installation of LED lamps can therefore deliver significant energy and maintenance savings.

3. Public-Facing Buildings

Buildings with long operational hours such as offices, community centres and cultural venues are ideal venues for LED lighting upgrades. Where older lighting is currently in place, new lighting will help to improve the internal environment, reduce energy and maintenance costs and visual appearance.

3.5 The project links with the Council’s overarching objective of delivering a sustainable future. It also aligns with the Coalition Commitment to improve Edinburgh’s air quality and reduce carbon emissions. The project will reduce emissions associated with the generation of electricity, decrease maintenance costs and lower the volume of waste sent to landfill.

3.6 It is proposed that the financial investment of £0.300m be phased equally over two years. LED lamp life will vary depending on the type of lamp and hours of use. In some buildings lamps may last three to five years whereas in others, they will last over ten years. Therefore, an average five-year life has been assumed, with a depreciation factor of 0.8 applied. A 3% year-on-year increase in utility and maintenance costs has been included in the calculations.

3.7 It has been estimated that 80% of savings will come from reduced energy expenditure and the remaining 20% from maintenance savings, however this ratio will vary from project to project. Taken together, these will allow for a payback period of no more than five years but with opportunities examined to accelerate this repayment profile, subject to the projects taken forward. The project will be delivered through the existing Technical Services Team within Facilities Management.

Usher Hall public address system

3.8 The Usher Hall has an ad hoc mix of public address system installations, ranging from wall-mounted speakers fitted in 1999 to a rented sound desk and various connecting leads/microphones. Investment in larger systems has been avoided because touring bands bring their own specific requirements or equipment is rented in to meet those needs.

3.9 The Hall has witnessed a large increase in business use since 1999 and, therefore, requests for spoken word events ranging from graduation ceremonies to lectures as well as orchestras wishing to supplement their sounds with electronic instruments and/or film scores on cinema screens. As a key venue for the Edinburgh International Festival, the Hall's service offering is in need of modernisation when compared to other venues. It wishes to install a modern system to meet the technical requirements of these events and estimates that the associated investment of £80,000 would generate income from related rentals to cover the costs.

3.10 With an improved technical offer, rentals could be extended to generate additional income of £16,000 per annum from existing business use from graduation ceremonies, comedy/spoken word events, orchestral film concerts and lectures, resulting in a payback period of no longer than five years. In addition, when the Usher Hall programmes its own concerts, the cost of hiring a suitable public address system can be upwards of £2,000 per show. The resultant cost saving resulting from outright purchase (i.e. avoided hire costs) could also be used to contribute towards the cost of the system, thereby shortening the payback period.

3.11 There will also be an environmental and local traffic benefit with less requirement for truck based deliveries to the venue.

3.12 The proposed investment would contribute positively to the following Coalition commitments:

- 2. <u>Create the conditions for businesses to thrive. Invest in supporting businesses, social enterprise, training in hi tech, creative and other key sectors including co-operatives</u>. Help link business with young people to ensure the workforce of the future is guaranteed work, training or education on leaving school.

- 46. <u>Continue to support the city's major festivals which generate jobs and boost local businesses and increase the funding for local festivals and events.</u> Support the creation of further work spaces for artists and craftspeople.

Usher Hall poster sites

3.13 The Usher Hall is embarking on a new business model and plan which aims to move towards a largely digital content approach to delivering its marketing and communications to the public. With over 210 performances each year and its status as the key concert venue for the Edinburgh International Festival, it spends a substantial sum creating print such as brochures, leaflets and posters.

3.14 With over 70% of its ticket sales now being generated online through the website and ticketing system, the plan is to use Spend to Save fund investment of £120,000 to create a more coherent route through its sales channels. The anticipated return on investment would come from increasing income from renting space on the new digital sites and redirecting existing spend on physical assets (print, leaflets and posters) to digital ones (digital poster boards, website and online marketing).

3.15 The Hall currently generates c. £5,000 per year from clients renting the existing static poster sites. It is anticipated that this figure could be increased to c £15,000 through the move to digital boards. The sites would be used exclusively for cultural activity taking place in the area of the Usher Hall, Lyceum Theatre, Traverse Theatre and Filmhouse. They could also be used for wider cultural advertising across the city and potentially branding/sponsorship opportunities where relating to cultural/festival/concert support.

3.16 Spend on producing physical marketing assets is in the region of £40,000 per annum. Whilst there would be a continued need for some physical print, the service would redirect £14,000 of this sum towards the upfront cost of the project. Taken together, the £10,000 of additional income and £14,000 of redirected current spend on print, leaflets and posters would result in annual savings of £24,000 and a five-year payback period.

3.17 Alongside supporting the direction of travel of the business model, the project would also contribute positively towards the Council's environmental agenda. The Hall currently prints and distributes over 30,000 brochures, leaflets and posters during the year, and more coherent digital marketing model will reduce the paper usage as well as van based delivery/distribution methods.

3.18 As with the complementary planned investment in upgrading the public address system, approval would contribute positively to Coalition Commitments 2 and 46 as noted above.

4. Measures of success

4.1 Subject to approval, the projects deliver the financial, service and environmental benefits set out within the respective business cases.

5. Financial impact

5.1 Assuming approval, £0.500m of funding will be drawn down from the Spend to Save fund, with this investment then repaid over five years. This sum can be fully accommodated based on current Fund commitments.

6. Risk, policy, compliance and governance impact

6.1 The projections within the respective business cases have been subject to review by Finance staff and potential mitigating actions developed should resulting savings vary from these assumptions. Any overall shortfall in delivery of savings will fall to be met by the service concerned.

7. Equalities impact

7.1 While the Usher Hall poster sites initiatives will place much greater emphasis on digital media, an element (albeit much-reduced) of traditional printed materials will be retained. The impact of these changes will be kept under review.

8. Sustainability impact

8.1 Assuming approval, additional investment in LED lighting and digital media will contribute positively to reductions in energy consumption-linked carbon emissions, printed materials and volumes of waste sent to landfill.

9. Consultation and engagement

9.1 There is no direct relevance to the report's contents.

10. Background reading/external references

10.1 None.

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Implementing the Programme for the Capital: Coalition Commitments

Item number	7.6
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

On 23 November 2017, the Council considered a report that detailed the approach to implementing the Programme for the Capital, including detail of the performance measures proposed for assessing progress against the 52 Commitments.

The performance framework development work has continued and significant progress has been made. The aim has been to define, where possible, measurable actions and performance indicators with defined targets for each of the 52 Coalition Commitments. The refined set of indicators was submitted to the Corporate Policy and Strategy Committee on 27 February 2018 for further scrutiny. The set was agreed on the understanding that the final set of indicators would be submitted to the relevant Executive Committee.

The set of indicators for this committee can be found in Appendix 1 and this sets the baseline for measuring progress.

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Report

Implementing the Programme for the Capital: Coalition Commitments

1. Recommendations

1.1 It is recommended that Committee note the set of indicators in Appendix 1.

2. Background

2.1 The Council considered a report on 23 November 2017 that detailed the approach to implementing the Programme for the Capital.

2.2 The report included detail of the performance measures proposed for assessing progress against the 52 Commitments and which Executive Committees would be responsible for measuring progress against which commitments.

2.3 The Council agreed:

2.3.1 To note that the commitments and their associated measurements as set out in the report were those of the SNP Labour council coalition.

2.3.2 To agree the principles and scheduling set out in paragraph 3.8 of the report by the Chief Executive.

2.3.3 To note the proposed measures for the Coalition Commitments in Appendix 1 to the report, within the context of the broader performance framework.

2.3.4 To refer the report to the Corporate Policy and Strategy Committee to agree specific and assessable performance measures, milestones and actions for all commitments by February 2018.

2.4 Corporate Policy and Strategy Committee agreed a refined set of indicators on 27 February 2018 on the understanding that development would continue and a set of indicators with targets would be submitted to the relevant Executive Committee.

3. Main report

3.1 The revised performance framework was agreed at Council on 23 November in the report ‘Implementing the Programme for the Capital: The City of Edinburgh Council Business Plan 2017-22’. Detail of the indicators which would be used to monitor progress was referred to Corporate Policy and Strategy Committee for further scrutiny and on to the relevant Executive Committee for further scrutiny and ongoing monitoring.

3.2 Executive Committees will consider an overview of performance relevant to their area, scrutinising indicators, improvement actions, issues and opportunities on an annual basis. This report sets the baseline for monitoring the commitments relevant to this committee and the set of indicators and targets can be found at Appendix 1 to this report.

3.3 The set of commitments falling within the remit of the Finance and Resources Committee includes one relating to increasing to 1% the proportion of the Council's discretionary budget that is allocated by means of participatory budgeting (PB). Subsequently to the setting of this commitment, in October 2017, COSLA Leaders agreed the key elements of a framework jointly developed by the Scottish Government, COSLA and Directors/Heads of Finance to address the Scottish Government's commitment for local authorities to aim to allocate at least 1% of their budgets through Community Choices/PB initiatives by 2020/21.

3.4 The agreed framework is intended to offer authorities maximum flexibility in reaching this target, taking account of both revenue and capital expenditure and relevant initiatives already in place. In the Council's case, the target equates to annual total expenditure of £7.2m and, as such, the national commitment develops the one initially set within Edinburgh.

3.5 The set of indicators will continue to be revised and updated as a result of ongoing monitoring.

3.6 The performance framework will be reviewed annually and will include refreshing the measures, actions, milestones and targets to ensure that the data collected is useful in terms of being able to measure performance and delivery against strategic aims, outcomes and commitments. This annual cycle will ensure that the framework provides timely information needed to lead and scrutinise performance but with enough flexibility to be able to change and adapt as necessary.

4. Measures of success

4.1 Performance will be monitored as detailed in the main body of this report and as set out in the Council Business Plan 2017-22.

5. Financial impact

5.1 The financial impact is set out within the Council Business Plan and is in line with actions agreed as part of the 2017-21 Revenue and Capital Budget Framework.

6. Risk, policy, compliance and governance impact

6.1 Risk, policy, compliance and governance impact is integrated within the Council Performance Framework.

7. Equalities impact

7.1 Equalities impact is integrated within the Council Performance Framework.

8. Sustainability impact

8.1 Sustainability impact is integrated within the Council Performance Framework.

9. Consultation and engagement

9.1 The Performance Framework has been, and will continue to be, developed in collaboration with Elected Members, Senior and Service Managers. This has included regular discussions at Corporate Leadership Team and Leaders meetings, discussions with cross-party leaders and Conveners of Executive Committees regarding commitments relevant to their Committee.

10. Background reading/external references

10.1 Programme for the Capital: City of Edinburgh Council Business Plan 2017-22

10.2 Implementing the Programme for the Capital: Council Performance Framework 2017-22 – referral from City of Edinburgh Council

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11. Appendices

Appendix 1 - Coalition Commitments Measures

Coalition Commitments Measures – Finance and Resources Committee

Commitments Measures below include performance indicators, actions and milestones and are linked to the Council Business Plan strategic aims and outcomes. These measures will continue to be refreshed to ensure that the data collected is useful in terms of being able to measure performance and delivery against the strategic aims, outcomes and commitments.

Business Plan Aim	Business Plan Outcome	Commitment		Actions	Measures	Target
An Empowering Council	A leading Council in community engagement and empowerment, giving citizens confidence to make decisions and act on issues	C47	Become a leading Council in Scotland for community engagement - 1% of the Council's discretionary budget will be allocated through participatory budgeting.	Agree definition of discretionary budget Allocate annual participatory budget Participatory budgeting set within budget process	% of annual discretionary budget allocated through participatory budgeting	1%
	We place our customers at the heart of all that we do, we are responsive, accessible and fair to all	C49	Limit Council Tax increases to 3% a year to 2021.	Council Tax is set annually. The annual City of Edinburgh Council Budget meeting is the milestone for confirming the Council Tax for the following financial year. This meeting is usually in February.	% Council Tax increase approved by Council	up to 3% a year to 2021
	We work with our partners and communities to deliver services locally We are an open, honest, inclusive and transparent organisation	C50	Continue a policy of no compulsory redundancies and keep a presumption in favour of in-house service provision.	Continue the provision of voluntary severance arrangements and redeployment support to mitigate the need for compulsory redundancies. Directorates to keep a presumption in favour of in-house service provision.	Policy continued and presumption in favour of in-house service provision kept	Ongoing commitment

Finance and Resources Committee

10.00a.m, Tuesday 12 June 2018

Lothian Buses Pension Fund

Item number	7.7
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	

Executive Summary

The purpose of this report is to advise the Committee of the proposal by the Lothian Pension Fund to assimilate the Lothian Buses Fund and its request that the Council act as a guarantor for contributions to the Pension Fund, based on its shareholding in the company.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Lothian Buses Pension Fund

1. Recommendations

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

1.1.1 Note the proposal by the Lothian Pension Fund to merge the Lothian Buses Fund into Lothian Pension Fund; and

1.1.2 Refer the report to Council for approval for the Council to act as a guarantor for contributions to the Pension Fund, in relation to the proportion of its shareholding.

2. Background

2.1 The Council has a 91% shareholding in Lothian Buses Limited as one of the successor authorities to Lothian Regional Council. The other shareholders are East, Mid- and West Lothian Councils with 3.1%, 5.5% and 0.4% respectively.

2.2 In 1986 Lothian Regional Council and Lothian Regional Transport established the Lothian Buses Pension Fund (LBPF) as a sub-fund of Lothian Pension Fund (LPF). This Fund has been managed by LPF as a "stand alone" fund and as such has its own investments, actuarial valuation and accounts. LBPF and LPF are administered by the City of Edinburgh Council on behalf of all the members.

3. Main report

3.1 The Pensions Committee, at its meeting on 26 March 2018 approved the merger of LBPF into LPF, with all assets and liabilities of LBPF transferring to LPF. The report set out the benefits of the merger, which include:

- increased investment diversification;
- consistency of investment approach;
- reduced number of investment portfolios;
- greater efficiency in cash management; and
- efficiencies in investment administration and accounting.

3.2 At present, the Funding Strategy Statement (of the Funds) has established the policy of “alignment”, whereby liabilities on default of one employer, with no guarantor, are assigned or apportioned to another employer(s) where a clear linkage exists, e.g. geographical or funding relationship.

3.3 A revised Admission Agreement formally clarifying the position of the four Councils as guarantors, in proportion to their respective shareholdings, will be sought prior to the transfer of assets and liabilities and merger of the two Funds.

3.4 The Actuary has stated that such explicit guarantee is required to permit “Lothian Buses to continue to pay contributions to the Fund after the last active member leaves” and so that “there would be no need to target a 100% gilts strategy at the cessation date if the funding time horizon extends beyond that point”. This increased flexibility is likely to be very much in the mutual interests of the company and its shareholders.

3.5 At the same meeting, Pensions Committee noted that the Actuary’s certification of the results of the 2017 Actuarial Valuation of LBPF was predicated upon a revised Admission Agreement and Shareholder Guarantee for Lothian Buses Limited. Accordingly, he has reserved the right to revise the certification of the minimum contribution rate(s) should there be any undue delay in the formal signing.

3.6 The Finance and Resources Committee previously considered a report, in February 2018, on a request to act as a pension guarantor for Edinburgh Leisure. Members agreed that any further requests from organisations seeking pension liability guarantees should be considered on their own merits.

3.7 The most recent actuary valuation of LBPF at 31 March 2017 showed a funding level of 89% on a gilts basis and 121% on an ongoing basis.

3.8 It is recommended that the Council becomes a guarantor for its share of Lothian Buses Limited to realise the benefits outlined, and the approval of Council is sought to do so.

4. Measures of success

4.1 Lothian Buses Limited meets its pension liabilities as they fall due.

4.2 The Council is not called upon to make a payment in its capacity as guarantor.

4.3 Financial advantages set out are reflected in future investment performance and actuarial valuations of LPF.

5. Financial impact

5.1 Acting as a guarantor for Lothian Buses Limited will not impact on the Council, provided Lothian Buses Limited meets its pension liabilities, as they fall due.

5.2 To a large extent the scale of benefits will be dependent upon future financial market conditions. It is estimated that savings will be at least £0.75m - £1m per annum, although these would not be realised immediately, but over time.

6. Risk, policy, compliance and governance impact

6.1 A revised Admission Agreement for Lothian Buses Limited, formally clarifying the position of the four Councils, as guarantors of the pension liabilities in proportion to their respective shareholding, will be put in place prior to the transfer of assets and liabilities. This will serve to strengthen governance and affirm the employer covenant.

6.2 Any guarantor arrangement requires the approval of Council.

6.3 The guarantor arrangement exposes the Council to a risk of additional costs if pension liabilities are not met as they fall due.

7. Equalities impact

7.1 There is no direct additional implication of the report's contents.

8. Sustainability impact

8.1 There is no direct additional implication of the report's contents.

9. Consultation and engagement

9.1 Lothian Pension Fund undertook consultation with Lothian Buses Limited and union representatives for Lothian Buses members as part of the preparation of the report to the Pensions Committee in March 2018.

10. Background reading/external references

10.1 Merger of Lothian Buses Pension Fund and Lothian Pension Fund – Report to Pensions Committee 12 March 2018.

10.2 2017 Actuarial Valuation for Lothian Buses Pension Fund – Report to Pensions Committee 12 March 2018.

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday 12 June 2018

Workforce Dashboard

Item number	7.8
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report provides a summary of workforce metrics for FTE, basic salary, new starts and leavers, monthly costs (overtime, agency, casual/supply, working time payments), absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of **March 2018**.

The report contains an analysis of workforce change observed since the previous period, **January 2018** and monitors ongoing and emerging trends.

The general trend since the previous report shows that there has been a reduction in workforce FTE and basic salary costs. Our workforce FTE has reduced by 90 FTE and our basic salary costs have reduced by £0.2M (including the increased costs for Contributed Based Pay which is estimated to be £3M). The FTE reductions primarily come from Communities and Families as contracts complete in line with funding arrangements ending.

Overtime and Agency costs remain typical for the time of year. The cost of Supply/Casual workers and Working Time Payments have reduced slightly; this would be expected given the reduction in overall FTE. The 12-month rolling absence rate has stabilised for the first time in 6 months with long-term open absences reducing by 39 cases since January 2018.

Report

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 March 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 and cost;
- 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, and the number of Conversation Spotlight workshops carried out;
- the number of VERA/VR leavers and associated cumulative budget savings;
- the number of redeployees and associated costs.

3.2 Our workforce FTE has reduced by 90 FTE to 14,562; down from 14,652 in January 2018. Communities and Families experienced the greatest reduction by 34 FTE, followed by Edinburgh Health and Social Care Partnership (down 28 FTE) and Resources (down 22 FTE). Other areas also saw a reduction, except for the Place directorate which increased by 26 FTE in the period. Changes in Communities and Families relate to contractual changes at the end of the school term (Easter break) and also reflects where funded arrangements have come to an end at the close of the financial year. Changes in Place are attributable to appointments made to vacancies in the directorate structure, following implementation of organisational review in Passenger Operations.

3.3 The table below outlines the total FTE change by Directorate:

	FTE		
Directorate	**Jan-18**	**Mar-18**	**Change**
Communities & Families	7001	6967	-34
Chief Executive	158	145	-13
Edinburgh Health & Social Care Partnership	2323	2295	-28
Place	2333	2359	26
Resources	2280	2258	-22
Safer & Stronger Communities	507	491	-16
Redeployment	50	47	-3
	14652	**14562**	**-90**

3.4 Since the previous reporting period we have recruited 148 FTE new starts and 188 FTE have left the organisation, yielding a net loss of 40 FTE. The additional reduction in workforce FTE (50 FTE) can be attributed to contractual changes within the existing workforce and yields a notional annual basic salary reduction in the region of £1.0m (based on an average salary of £25K).

3.5 The cost of new starts was £1.7M less than the cost of leavers, yielding a cost saving in this area.

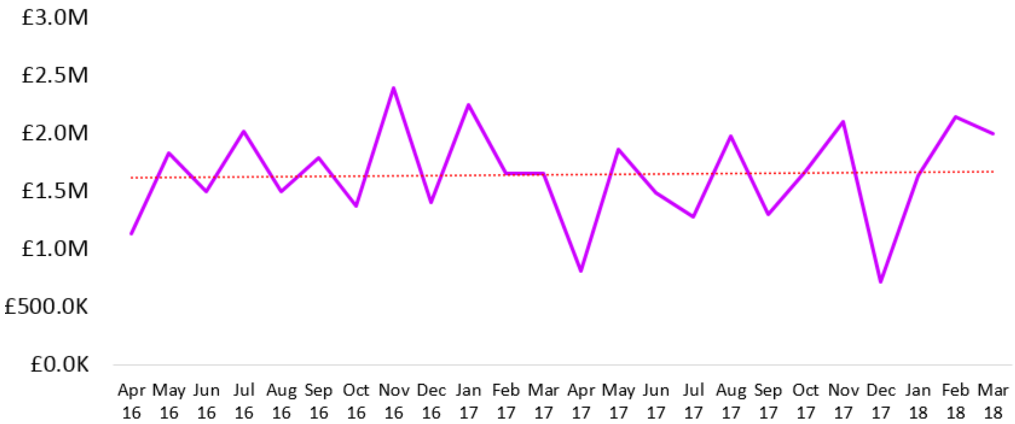
3.6 In the period, the basic salary bill decreased by £0.2M.

3.7 Contribution based pay and pay progression, estimated to cost the organisation approx. £3.0M on an annual basis.

3.8 Total agency costs showed a slight downward trend over the period April 2016 to December 2017 (reported in Finance and Resources Committee Annual Workforce Report, **Figure 1**). However, when we also include the last three billing periods in the analysis we start to see a subtle change in the trendline with subsequent analysis including increased billing over the festive period to meet service needs. This trend will continue to be monitored.

3.9 The organisation costs for agency between June 17 and March 18 equate to a monthly average of approximately 570 FTE (based on a notional monthly cost per agency FTE). The March monthly agency FTE utilisation was 685 FTE.

Figure 1: Organisation Agency Cost Trend, April 2016 – March 2018



3.10 The cost of Supply/Casual workers has reduced by £11K in the period.

3.11 The cost of Working Time Payments reduced by £6K in the period.

3.12 Total Overtime costs reduced by around £232K since last period (**see Figure 2**). Higher costs were observed in January and February 2018 and are related to additional hours worked to run services and events during the festive period and for winter weather emergency activities. The March 2018 monthly cost of £629K is in line with claims made in the pre-Christmas period. The hours claimed for overtime between June 17 and March 18 are equivalent to the FTE of around 244 employees (monthly average); this analysis excludes hours claimed for "call out". The March 18 monthly overtime FTE utilisation was 227 FTE.

3.13 Trend analysis to Jan 2018 (F&R Annual Workforce report) showed a subtle reducing overtime cost trend, however analysis to March 2018 (**Figure 3)** shows this trend reversing; this will be monitored.

Figure 2: Monthly Costs for Overtime, Agency, Casual/Supply and Working Time Payments, June 2017 – March 2018

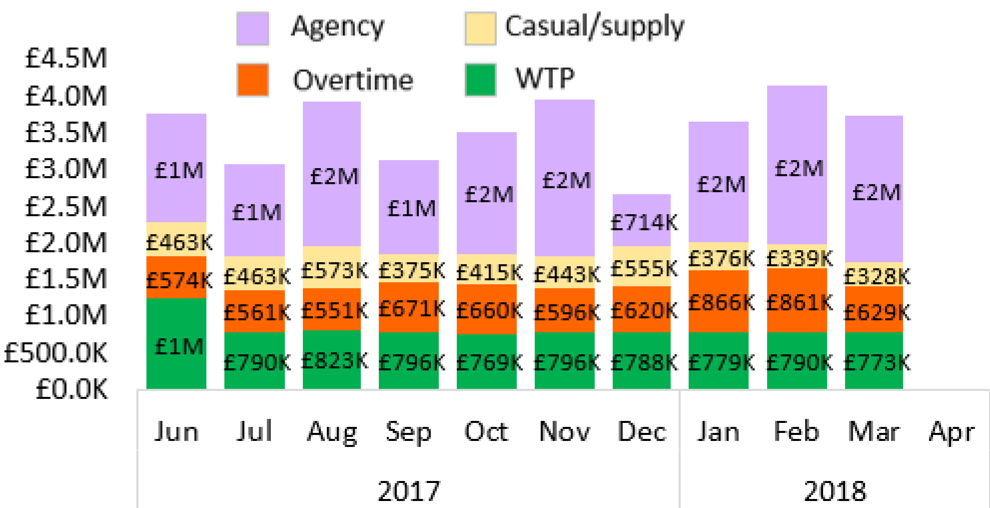
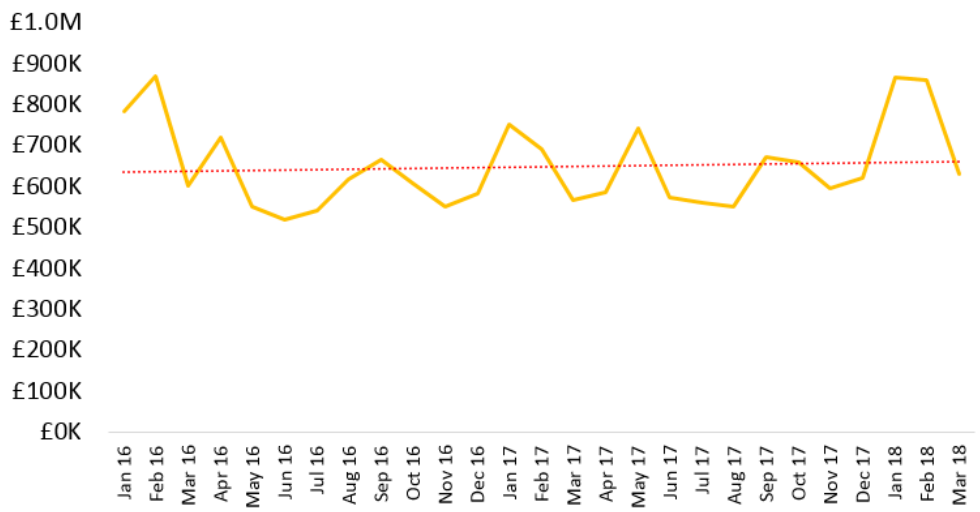


Figure 3: Overtime Cost Trend, Jan 2016 – March 2018



3.14 There was no change to the organisation's 12 month rolling absence rate which remained stable this period at 5.49% (**Figure 4**). The long-term rate absence rate (3.71%) and short-term absence rate (1.77%) were unchanged. The organisation lost 174.4K days to absence in the 12-month period to March 2018, the equivalent working days of around 775 full-time employees. The notional cost of all absence in the rolling period is in the region of £23.3M (based on an average salary value of £30K).

3.15 Absence rates in Place (6.56% to 6.47%) and Resources (6.39% to 6.38%) both saw minor reductions (**Figure 5**).

Figure 4: 12 Month Rolling Average Absence Trend

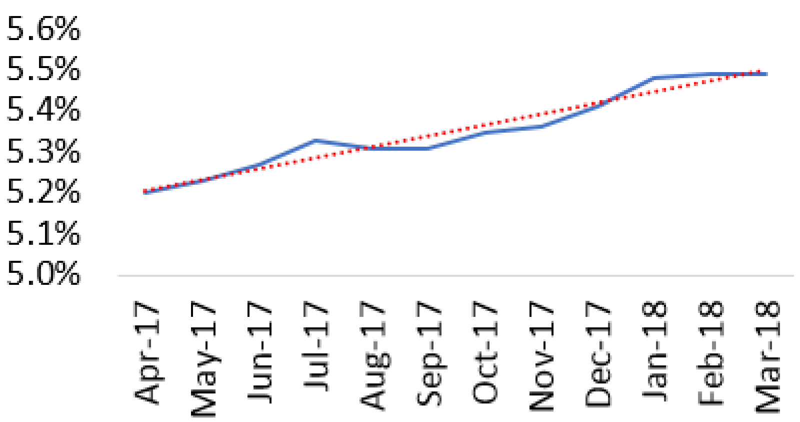
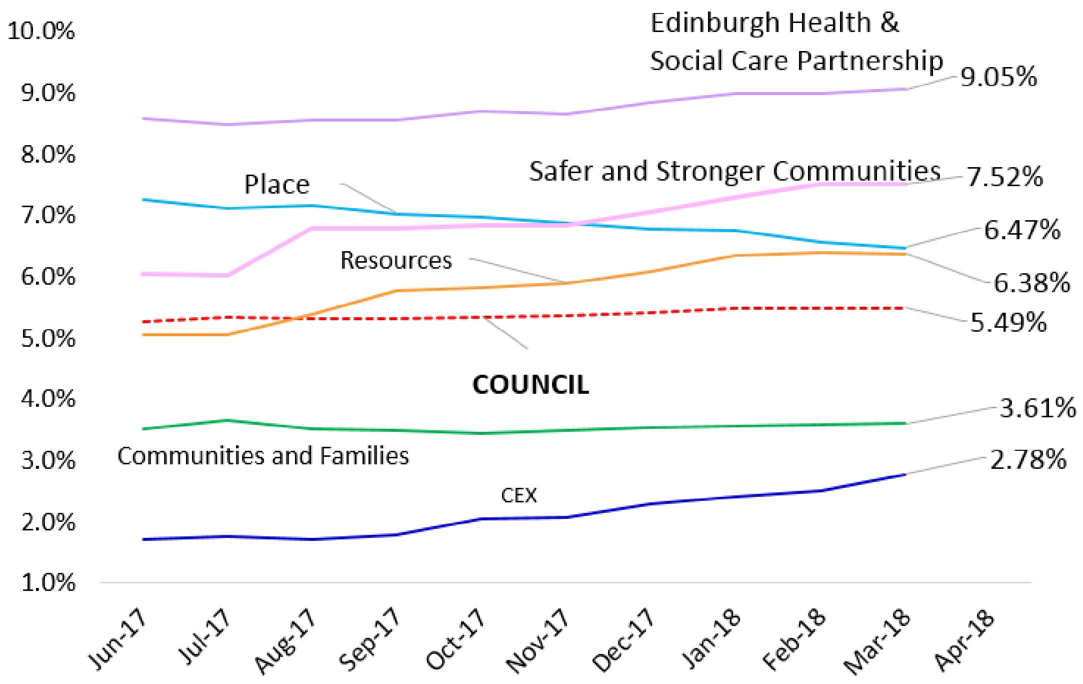


Figure 5: Directorate 12 Month Rolling Average Absence Trend



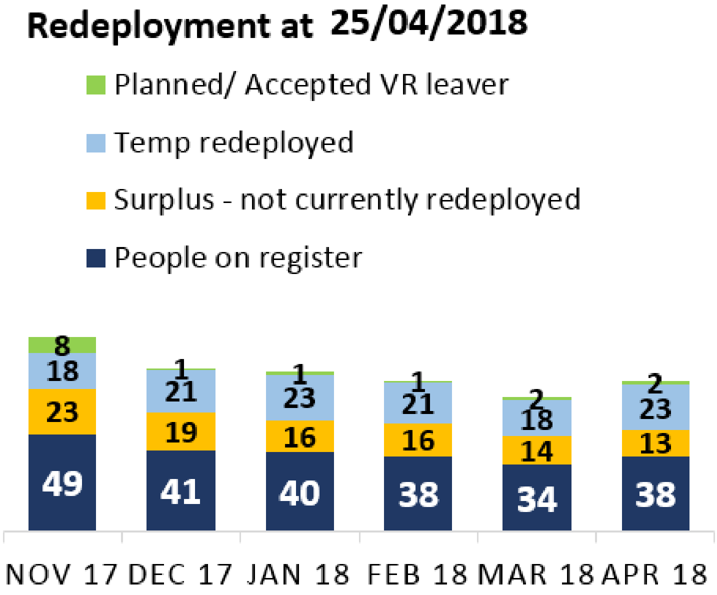
3.16 At March 2018 there were a total of 486 employees across the organisation with a long term open ended absence, down from 525 in January 2017 (**Figure 6**). At the time of analysis, 42 employees had been absent for a period of 12 months or longer. Most directorates have seen a reduction in open ended long-term absence cases since December 2017, with the biggest reduction in the Communities and Families directorate in the Schools and Lifelong Learning service (down by 51 cases, which represents a 25% reduction on the original 206 cases). In the same period the Edinburgh Health and Social Care Partnership reduced their total cases by 20 (14% of the original 142 cases), mostly in locality services.

Figure 6: Open Ended Long-Term Absence Cases, Dec 2017 – March 2018

Period	Council	Communities and Families	Chief Executive	Health and Social Care Partnership	Place	Resources	Safer and Stronger Communities
Dec-17	556	206	2	142	65	118	23
Jan-18	525	194	2	142	59	104	24
Feb-18	488	167	3	139	59	102	18
Mar-18	486	155	4	122	75	110	20

3.17 The total employees on the redeployment register has remained at 38 this period (as per February 2018), but had reduced to 34 in March 2018. The associated monthly salary cost increased by £3.8K to £134.1K. **Figure 7** provides a summary of the total number of employees on the register since November 2017.

Figure 7: Redeployment Register Employees



3.18 Of the 38 employees currently surplus due to transformation, 2 are planned leavers, 23 have been temporarily redeployed, and 13 are not currently redeployed into a temporary solution.

3.19 Of the total surplus FTE, 19.7 FTE is corporately funded and of these 1 FTE is a planned leaver, 8.0 FTE are currently redeployed and 10.7 FTE are not currently redeployed; 14.0 FTE of the corporately funded FTE has been on the redeployment register for longer than 12 months, 4.7 FTE for a period of 6-12 months, and 1.0 FTE for less than 6 months.

3.20 A total of 28% of employees (who are due to have them) have engaged in Looking Ahead 17/18 Conversations. This figure is slightly down on the previous month due to additional groups joining the annual cycle in March i.e. Facilities Management.

3.21 A total of 62% of employees (who are due – approx. 8,000) have engaged in Looking Back 17/18 Conversations.

4. Measures of success

4.1 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 back’ conversation to reflect on the previous year’s performance (the ‘what’ and the ‘how’ with a performance zone agreed and awarded) and ‘looking forward’ conversation to set their performance objectives and development priorities for this performance year.

5. Financial impact

5.1 Achievement of agreed savings through voluntary redundancy.

5.2 Salary costs for redeployees.

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 Workforce Dashboard Report to Finance and Resources Committee on 27 March 2018.

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11. Appendices

Appendix 1 – Finance and Resources Committee Workforce Dashboard

Appendix 2 – Finance and Resources Committee Workforce Dashboard Glossary

Appendix 1 – Finance and Resources Committee Workforce Dashboard

Workforce Dashboard: Finance and Resources Committee

Period: Mar 18 **Issued:** 01 May '18

Workforce FTE

FTE Actual: 14,562

Headcount Actual: 18,667

Turnover FTE (Period)

53 | 108

New Starts · Leavers

FTE (Period)

12,897 | 1,069 | 508 | 88

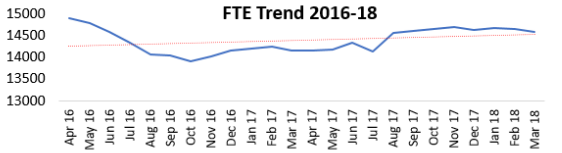
Perm · FTC/Temp · Acting Up/Sec · Apprentice/Trainee

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

227 | 157 | 685

Overtime · Casual/Supply · Agency Total

Total Additional FTE: **1,070**



Pay Bill

Actual (Period): £33.5M

Annual (Projected): £402.3M

Pay Bill Turnover (Period)

£1.2M | £2.8M

New Starts · Leavers

Pay Bill (Period)

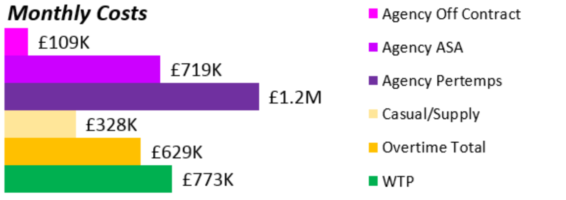
£31.1M | £2.1M | £195K | £124K

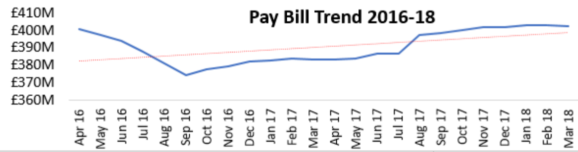
Perm · FTC/Temp · Acting Up/Sec · Apprentice/Trainee

Pay Bill (Annual Projected)

£373.1M | £25.4M | £2.3M | £1.5M

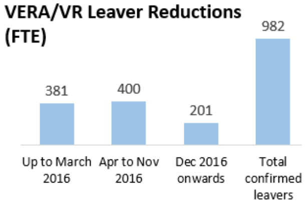
Perm · FTC/Temp · Acting Up/Sec · Apprentice/Trainee





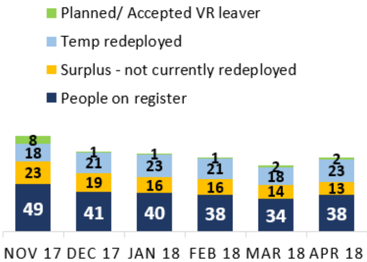
Transformation

VERA/VR Leaver Reductions (FTE)

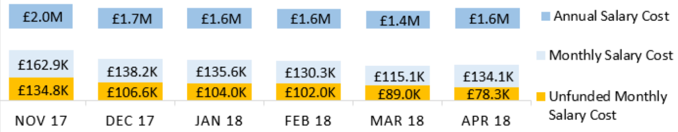


The confirmed **982** ***FTE*** *reductions from VERA and VR will achieve recurring saving of* **£37.0M**

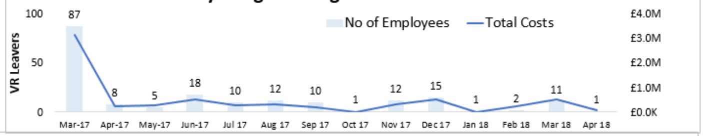
Redeployment at 25/04/2018



Redeployment - Cost



VR Leavers and Monthly Budget Savings



Absence

12 Month Rolling Average

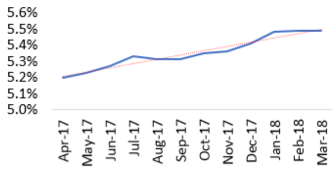
Overall Rate 5.49%

Long Term Rate 3.71%

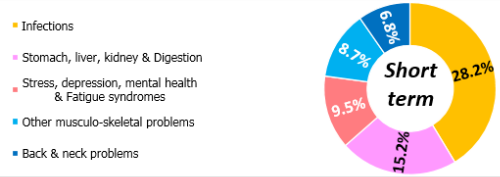
Short Term Rate 1.77%

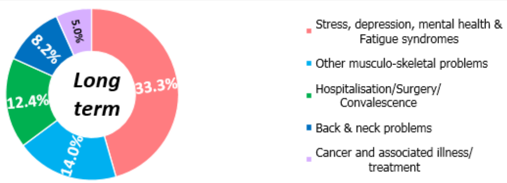
Cost Estimate £23.3M

12 Month Rolling Average Trend



Absence - Top 5 Reasons





Performance

Conversation Spotlight Sessions Held 131

Looking Ahead Conversations

28% | 72%

Complete · Not Complete

All LGEs in this category are on a GR1-GR4 rolling cycle

Looking Back Conversations

62% | 38%

Complete · Not complete

All LGEs in this category are on the GR5-GR12 standard cycle

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

Appendix 2 – Finance and Resources Committee Workforce Dashboard Glossary

Workforce Dashboard Glossary: Finance and Resources Committee

Workforce FTE

FTE Actual: *Sum of FTE for all staff on CEC payroll*
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 and casual/supply represented as equivalent FTE. Agency cost converted to notional FTE value using average annual salary cost of £35k per FTE.
Overtime - actual units of time paid 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. Data extracted after last weekly payroll in preceding month.
Casual/supply - actual units of time paid 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 for the next dashboard to take into account a 35 hours working week for Teacher T&C contracts and any other conditions identified at

FTE Trend

Archive data from previous S&I dashboard process.

Turnover FTE (Period)

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).

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.

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

Performance

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. 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.

Looking Back 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 the standard cycle, all looking back meetings should have taken place by 31/03/18. 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.

Conversation Spotlight *- Data from L&D.*

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Embedding and Evaluating our new Performance Framework

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

Executive Summary

The Council is continuing to change and develop to ensure it is at its most effective and productive in delivering for the city. Our approach to managing performance and supporting our people to perform at their best plays a crucial role in enabling the Council to be at its best.

In response to insight from staff and managers that was sought in 2015, a group of colleagues and managers worked together to transform and reinvigorate our approach to performance management. As a result of this collaborative work, a new framework was was implemented in April 2017 after extensive testing across the organisation, negotiations with our trade unions and agreement of the new Performance Management Policy at the Corporate Policy and Strategy Committee in December 2016.

This report updates Committee on the progress made to support colleagues and line managers to embed the new approach and to monitor and evaluate changes to practice so far. It also outlines further plans to conduct colleague focus groups and use insights from the Colleague Survey to continue to monitor and adapt to support the culture change required to fully embed the new framework.

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Report

Embedding and Evaluating our new Performance Framework

1. Recommendations

1.1 Note and be assured by the progress made to date to embed and monitor our performance framework and policy; and

1.2 Note the plans to further evaluate the changes in practice and impact associated with the new performance framework, including focus groups, early adopter review meetings and insights from the Colleague Survey.

2. Background

2.1 On 6 December 2016, the Corporate Policy and Strategy Committee agreed a new Performance Management Policy and the introduction of an accompanying Performance Framework to take effect from 1 April 2017.

2.2 The new Performance Management Policy and Framework were introduced as a direct result of colleague feedback sought in 2015, as well as to support the ambition for the type of culture that is required to ensure the organisation is at its most effective and productive in delivering for the city in new ways.

2.3 Colleagues felt the previous approach to performance management was a 'box ticking' exercise that was overly focused on process and compliance, lacking in connection to what employees were trying to achieve and didn't always support our people to deliver their best. These views were compounded by the fact that supporting systems and materials were cumbersome and difficult to engage with. Additionally, colleagues were frustrated that performance issues appeared to be tolerated and managers described difficulties faced when trying to tackle performance issues due to feeling unsupported coupled with a sense of the previous policy not being as enabling as it could be.

2.4 In response to insight from colleagues and managers, the new Framework was developed in co-production with a Business User Group and six Early Adopter Teams to ensure testing in a variety of Council operating environments.

2.5 The new Framework aims to establish a supportive climate for performance that engages people at a human level, establishes a consistently high bar, makes it easy for people to deliver their best performance and maximises the potential of our workforce. The focus is on supportive, developmental and, where needed, courageous conversations.

2.6 The key components of the performance framework and policy include:

2.6.1 A new values map to bring to life the behaviours demonstrated when colleagues are approaching their work in line with our organisational values.

2.6.2 An annual conversation which is more forward-looking and enables clarity on a colleague's performance overall by means of three broad zones, with a view to prompting a development-oriented conversation.

2.6.3 A model for regular, all year-round clear and supportive one-to-one conversations.

2.6.4 A tool to support staff and managers in seeking and offering developmental and appreciative feedback to the people they work with.

2.6.5 A restorative focus to performance issues with shorter timeframes for formal resolution (12 weeks initially, a possible extension of 4 weeks and a further short extension in exceptional circumstances).

2.7 The new framework and policy were implemented on 3 April 2017.

3. Main report

Engagement and Support

3.1 To support managers to lead for the culture change required to embed the new performance framework, model best practices, and engage and support their team members in the approach, a 2-day Conversation Spotlight workshop has been developed and offered to all people managers. These workshops are highly experiential and enable managers to rethink, practise and receive feedback on their approaches to performance conversations. Initially, these workshops were targeted at senior leaders between Dec 2016 and March 2017 and have since been opened up to all people managers. As at March 2018, 124 workshops have been held with nearly 1,000 leaders attending.

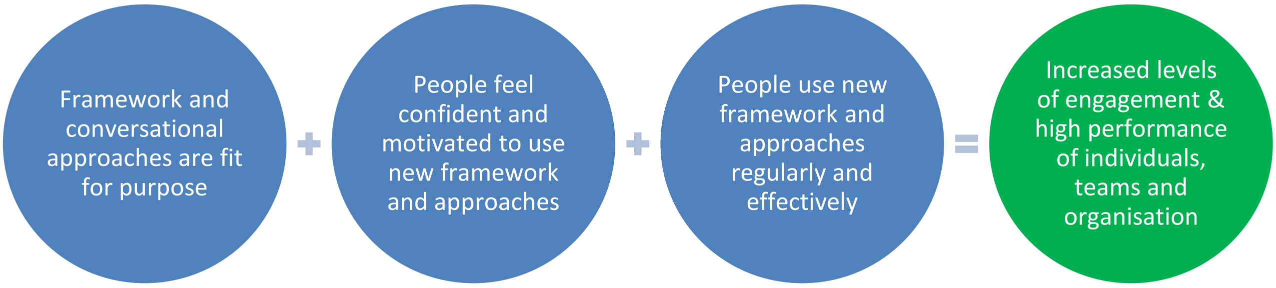
3.2 Additionally, to support and engage colleagues in the launch of the new approach, a road show of 22 bite-sized workshops was put in place at various locations across the city covering a diverse range of teams and roles. A total of 795 colleagues attended these sessions. At these workshops, colleagues were invited to keep in touch to feedback on their experiences on the ground during the embedding phase of the framework. A total of 53 colleagues offered to take on this role.

3.3 An interactive "How to Guide" was developed and promoted to all colleagues. This guide brings to life the new framework and helps colleagues understand how to use the tools within it and their role in the new approach to get the most from their performance conversations. As at March 2018, over 2,000 colleagues had accessed the "How to Guide".

3.4 Additionally, a Performance Improvement interactive guide was produced for line managers.

Embedding and Evaluating Change Approach

3.5 The ambition for the culture change associated with the new performance framework is a long-term journey, of at least 3 years. However, based on the logic model outlined below, we can identify indicators of the direction of travel to learn and adapt along the way:



3.6 The approach to evaluating how the framework is being embedding is based on cycles of learning, reflection and adjustment. During the 12 months following implementation, there have been focused themes relating to key components of the framework that have been used to generate insight and stimulate action. For each theme, supporting materials have been shared (e.g. short films involving a range of colleagues and team conversation templates) and qualitative insights gathered relating to that theme.

3.7 A group made up of a range of colleagues and managers review the insights from each cycle and these are then shared with senior leaders to identify actions required in their service areas. Good practice stories have also been shared to reinforce and encourage the types of behaviours associated with the organisation's values.

3.8 Qualitative insights have been gathered from those who volunteered to help monitor the embedding of the new framework (including those who signed up at roadshows and 2015 focus group participants) and randomly sampled colleagues. To date, a total of 134 colleagues have shared their feedback.

3.9 In addition, a survey was issued in December 2017 to managers who had attended a Spotlight Workshop to assess the difference made in terms of practice and impact on engagement and performance. 224 managers completed this survey.

Findings to Date

3.10 The survey of Spotlight Workshop participants found the following reported changes in practice:

75% of managers showing appreciation more often

72% of managers more confident dealing with performance issues

71% of managers using more of a coaching approach

68% of managers more focused on their team members' development

68% of managers feeling more confident as a leader

68% of managers having more meaningful 1:1 conversations

55% of managers seeking feedback more often.

3.11 In terms of impact, the survey found:

56% of managers having better relationships in the team

53% of managers reporting higher levels of team engagement

51% of managers reporting increased team performance.

3.12 For managers not reporting a change in practice or impact, this was most commonly attributed to the fact that they felt they already used these types of approaches well prior to attending a workshop or that operational pressures and organisational reviews were mitigating some of the positive impacts achieved.

3.13 Most respondents indicated finding the workshops highly valuable in terms of both skills development and signalling their part in a positive culture change for the organisation.

3.14 In terms of qualitative insights received from colleagues to date, the most common positive themes reported so far include:

- finding the approach overall more 2-way and person-focused;
- finding the language, tone and tools of the framework helpful and more human than the previous PRD approach;
- finding the system simpler and easier to use;
- less focus on paperwork and more on the conversation;
- team meetings and 1:1's feeling more open, honest and engaging;
- annual 'looking ahead' conversations helping colleagues feel clearer, listened to and motivated; and
- a shift in a focus towards a more appreciative culture.

3.15 The most common themes for improvement included:

- the need for more colleagues to have a looking-ahead conversation – these were not always happening in all teams consistently;
- enabling a longer term, less reactive focus in conversations during times of change and uncertainty;
- not all colleagues having regular 1:1's with their managers;
- the need for more consistent and specific appreciative feedback from managers; and

- recognition of the impact of colleagues being in new roles with new teams and therefore the need to build better relationships and feel valued by new colleagues and managers.

3.16 Linking these themes back to the logic model (3.6), the findings suggest that whilst the tools and approaches contained in the new framework are largely being experienced as a welcomed improvement, there is further work to do to support colleagues and managers to put these into practice regularly and consistently.

Next Steps

3.17 We continue to roll out development to employees and leaders.

3.18 Further insight is currently being sought and analysed on annual 'looking back' conversations, which include agreement of an overall performance zone, which will offer insight into how this component of the framework is being experienced by colleagues.

3.19 A review meeting will be held with each of the 6 Early Adopter teams so that detailed insights can be obtained into the ways the performance framework is being embedded in very different operating environments. These will explore success stories, challenges, lessons learned and impact against initial aspirations. These review meetings will be completed by June 2018.

3.20 Focus groups will be held with colleagues who either volunteered to help monitor the embedding of the new framework or who were part of the initial 2015 focus groups. These will take place during July and August 2018, following analysis of the findings from the Colleague Survey.

3.21 Trade Unions will also be part of a focus group in the Summer.

3.22 Findings from the colleague survey will enable insight into progress made against the ten indicators that were used during the 2015 research phase of the programme (including, for example, the extent to which people have clear goals, are getting useful and frequent feedback on their performance, are having regular one-to-one conversations with their manager etc).

3.23 A co-ordinated approach with Strategy and Insight will be taken to ensure that service area briefings and action planning meetings to address the findings in the colleague survey will also draw out implications for the evaluation of the performance framework.

3.24 The findings from the colleague survey will also provide insight into particular teams or service areas that may be experiencing challenges in embedding the new framework so that future development and support can be more targeted.

3.25 Findings from all sources described in this report will also feed into the design of the organisation's new Leadership Development Programme to continue to support leaders more generally to fully embed the new performance framework.

4. Measures of success

4.1 Indicators of success, at a high level, are linked to an overall logic model shown in 3.5 of this report.

4.2 Indicators of success have been agreed at the level of practice and at the level of impact (i.e. impact on colleagues, impact on service). At the level of practice, ten indicators were used in the summer 2015 research phase (including, for example, the extent to which people have clear goals, are getting useful and frequent feedback on their performance, are having regular one-to-one conversations with their manager etc).

5. Financial impact

5.1 There are costs associated with the embedding and evaluation phase of this work but a predominantly internal delivery model is being used to minimise costs.

6. Risk, policy, compliance and governance impact

6.1 Due to the links between people performance and organisational performance and change capability, the risks to the organisation's ability to successfully improve and develop itself to be fit for purpose in a new climate are significant if this new approach is not fully embedded.

7. Equalities impact

7.1 There are no direct equalities impacts arising from this report.

8. Sustainability impact

8.1 There are no adverse environmental outcomes arising from this report.

9. Consultation and engagement

9.1 Insight gathered in 2015 to inform the design of our new performance framework was gained from extensive consultation, including 200 staff during focus groups, interviews with 20 managers, and 150 staff through a survey, in addition to desk research and benchmarking with around half a dozen other companies.

9.2 The new framework was co-created with a Business User Group and 6 Early Adopter Sites, ensuring development and testing with a range of operational environments and a breadth of roles.

9.3 We have kept in close contact with 152 colleagues across a range of roles and service areas as part of the ongoing monitoring and evaluation of the new framework and policy as well as contacting a random sample of colleagues to obtain views on the new approach.

9.4 Focus groups are planned with the above 152 colleagues and further insight relating to the indicators of success for the new framework will be obtained from the Colleague Survey which has been issued to all Council employees.

10. Background reading/external references

10.1 New performance management framework and policy, Report to Corporate Policy and Strategy Committee, 6 December 2016

Stephen S. Moir

Executive Director of Resources

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11. Appendices

11.1 Appendix 1 – Our Performance Framework: Being our Best in Everything we do for the People in our City

11.2 Appendix 2 – Performance Management Policy

Performance Management

Implementation date: 1 April 2017

Control schedule

Approved by	
Approval date	
Senior Responsible Officer	Katy Miller
Author	Stewart Cassie
Scheduled for review	

Version control

Version	Date	Author	Comment
0.1	15 November 2016	Stewart Cassie	Final draft for Corporate Policy & Strategy Committee

Committee decisions affecting this policy

Date	Committee	Link to report	Link to minute

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Performance Management

Policy statement

1.1 We believe that all our employees want to do the best possible job they can for the Council and the people in our city and that we are all responsible for the work we do and how we do it. As your employer, it is our job to provide you with the right support so we can help you be at your best

1.2 Being at your best applies to both **what you do** and **how you do it**. We expect our Council Values to be at the heart of the approach we all bring to our work.

1.3 A toolkit is available to support this policy to ensure that it is implemented as intended, with the focus on helping you to do your job to the best of your ability and supporting you to improve when you need help.

Scope

2.1 The principles of this policy apply to all our colleagues and we expect everyone to approach their work in line with our Values.

2.2 We recognise that there are groups of employees who have their own nationally agreed procedures for continuing professional development and managing performance. These remain in place.

2.3 However, nothing in those procedures exempts staff and managers from following the key principles outlined in this policy, and all staff are expected to have regular conversations with their managers, as a matter of good practice and to demonstrate the Council's Values as they go about their work.

Key Principles

3.1 Clear Expectations

We can all expect to have clarity on our role and what's expected of us. From your first weeks with the organisation onwards, you can expect to have an understanding of how your work fits in to the work we do in the city and to have clear goals, standards and measures for the part you play.

3.2 Support

We can all expect to be supported to perform at our best. This support includes advice, coaching, training and support for our development on the job. In return, we are all expected to do our very best and participate fully in conversations about our performance.

3.3 **Feedback**

We can all expect to get regular feedback on how we are doing. We will all get the chance to have regular, two-way conversations about our performance and development. Your manager will help you seek feedback from others and will regularly review your performance with you.

3.4 **Focus on Improvement**

The focus of this policy is on supporting you to do your job in the best way you can and identifying any additional support, tools or adjustments needed where there are any issues meeting the standards required.

3.5 **Focus on you**

This policy is designed to look beyond the narrow focus of how you do your job and looks at you as an individual, giving the flexibility to factor in your personal circumstances where they relate to your performance

Policy content

4.1 Performance Management

When you join us, your manager will set goals and/or measures for you and set out the wider standards of performance expected, in line with what is required in your area and with the Council's Values. Performance conversations will then happen throughout the year. There will also be a more formal annual conversation between you and your manager. The annual meeting will be your opportunity to review your progress in the year that has just passed and to get clear on the priorities and expectations for the year ahead. The date at which the annual conversation takes place will be determined by the needs of the area where you work. Senior managers will still have their annual conversation in the spring.

During the annual conversation, as well as being clear on what you are aiming to achieve and how you should go about achieving it, you will also discuss any development and support needs you might have. The aim is to ensure that you can give your best possible performance and we absolutely encourage you to ask for the help you need to achieve that. Your work goals and/or measures and your development priorities will be recorded along with the support you need.

Throughout the year, you and your manager will have the opportunity to have regular one-to-one catch-ups. The frequency will depend on what works well for you and your manager. During these conversations, you will be able to discuss progress against your goals and/or measures, your health and wellbeing, any challenges you are encountering, along with support and development needs you might have. You will also be able to share and receive feedback on your performance.

At the end of the performance management cycle, you should arrange the next annual conversation to look back and review your performance for the year and provide an opportunity for reflection, feedback and recognition before planning for the year ahead once again. The ‘looking back’ part of the annual conversation will build on all the catch-up conversations you have had throughout the year so there should be no surprises. You and your manager will agree a performance rating that reflects what you have accomplished during the year and how you have approached it.

Occasionally you might feel that you are not going to be able to meet the standard of performance for the job or some goals and/or measures that were agreed. If you feel that, you should speak to your manager and let them know why you think you will not achieve what’s expected of you and discuss what help you need. Your manager will listen to what you say and will give you the help you need where they can. It is your responsibility to make sure that you ask for help and take responsibility for meeting the necessary standards.

In some cases, your manager might feel that you are not performing to the required standard, in which case they will bring this up as part of normal day-to-day management. Additional support should be discussed as part of everyday performance management. If you feel you need additional support, make sure that you ask for it. Your manager will be supportive in this. They will also be specific about expected improvements.

Managers will always want to understand why you might not be performing as well as expected and will try to understand your point of view, as well as giving you clear and honest feedback. Our aim is always to find out how we can help you achieve the required standards and expectations and to agree a way of resolving any issues and getting back on track. Your manager and yourself will agree how your performance can be improved and how often to meet in order to monitor your improvement until you are back performing at your best.

4.2 Performance Improvement

We understand that under-performance cannot always be improved by everyday performance management and further intervention is sometimes needed. If you have been given help but your manager feels that you are continuing to underperform, then they will set up a meeting with you to put a formal performance improvement plan in place. You can be represented at this meeting by a trade union representative or accompanied by a work colleague.

However, we must stress that being asked to attend a formal meeting about your performance should not come as a surprise to you. Your manager will have been discussing your performance with you throughout the year. Any areas where your performance could improve will have been brought to your attention before any formal action is considered and your manager will have supported you to try to improve your performance on an informal basis, through normal day-to-day management at the time. We see formal performance improvement as the last stage of a concerted effort to help you achieve the desired level of performance, backed by evidence of the support you've received.

The meeting will be a structured conversation between you and your manager about putting in place a formal plan to resolve the performance issues. Your manager will set out where you have not met the expected standards, with the evidence they've got from the conversations you had through the year. It's important that both you and your manager share feedback on any issues that are affecting your performance and that you discuss the impact they are having on your ability to do your work. It is important that you speak up about any factors impacting on your ability to perform so that your manager can consider any reasonable adjustments or whether your performance would be better dealt with under another Council policy.

By the end of the meeting, your manager will set out the improvement in your performance that they expect to see. They will confirm that this represents a formal warning about your performance. This means that if there is no improvement in your performance, then this could result in your dismissal. Your manager will also tell your head of service that your performance is being managed using a performance improvement plan.

We must emphasise that your manager will want to help you improve your performance and will want you to succeed. Equally, it's important that you see this as an opportunity to show that you can perform well in your job.

4.3 Confirming the Improvement Needed

After the meeting to discuss the performance improvement plan, your manager will send you a completed performance improvement plan and a letter confirming that you are under performance improvement measures. In this letter, they will confirm that you have 12 working weeks to improve. They will also set out how often you will meet to monitor your improvement and the actions you are expected to take to show your improvement. The letter will also confirm your formal warning and note that if you do not improve your performance, then this could result in your dismissal.

4.4 Reviewing progress

While your performance is under review, you and your manager will meet regularly to review your progress and, where required, adjust any development support you need to help. We would expect this to be at least weekly, in order for both you and manager to see if your performance is improving and to give feedback on progress made.

4.5 **Improvement Achieved**

At the end of the review period, your manager will meet with you to discuss the outcome of the improvement period. You can be represented at this meeting by a trade union representative or accompanied by a work colleague. If you have achieved the improvement needed, then no further action will be taken and everyday performance management will continue. Your written warning will still be live for 9 months. If there is another drop in performance during this period, your manager will meet with you to discuss the situation. If the dip in performance means that further formal performance improvement support is put in place for you, then you will also be given a final written warning.

4.6 **No Improvement**

If you have not met the required standard of performance at the end of the improvement period, then your manager will meet with you to discuss the situation. You can be represented at this meeting by a trade union representative or accompanied by a work colleague.

The meeting will be a structured conversation between you and your manager about putting in place a formal plan to resolve the performance issues. Your manager will set out where you have not met the expected standards, with the evidence they've got from the conversations you had through the year. It's important that both you and your manager share feedback on any issues that are affecting your performance and that you discuss the impact they are having on your ability to do your work. It is important that you speak up about any factors impacting on your ability to perform so that your manager can consider any reasonable adjustments or whether your performance would be better dealt with under another Council policy.

By the end of the meeting, your manager will set out the improvement in your performance that they expect to see. You will then be given a final warning and a further 4 working weeks to try to improve your performance levels. This means that if there is no improvement in your performance, then this could result in your dismissal. The warning will be live for one year. Your manager will also tell your head of service that your performance is being managed using a performance improvement plan.

4.7 **Final Performance Improvement Meeting**

If you do not reach the standard of performance needed for your job in the final 4 working week period, then your manager will meet with you to confirm this and arrange for a final meeting to be chaired by your head of service (or a senior manager in your area with the authority to dismiss). You can be represented by a trade union representative or accompanied by a work colleague to both the meeting with your manager and the meeting with your head of service.

At the final performance improvement meeting, the chairperson will review your performance improvement plan, consider the performance level you have been able to achieve, the support you received, your own feedback on what has prevented you achieving the standards required and feedback from your manager. You will be given the opportunity to share your thoughts on the situation.

At the end of the meeting, the chairperson will confirm what action is to be taken. This will be either dismissal, action short of dismissal, redeployment or, in exceptional circumstances, a further period of review of up to 4 working weeks. This will only be considered if you have been able to demonstrate that you can achieve the required standard within that time.

The chairperson will send you a letter confirming the decision.

4.8 Appeals

If you are dismissed or action short of dismissal is taken, you can appeal that decision by following the standard appeal process, which will be set out in your confirmation letter.

You cannot appeal any other outcome of the final meeting.

Implementation

5.1 To support an effective implementation in line with the principles of this policy, a comprehensive period of development for staff and managers will commence in January 2017, ahead of implementation in April 2017.

Roles and responsibilities

6.1 We will make sure that our approach to performance helps you be at your best at work. We will support your manager, so that they feel confident in providing you with the tools you need to do your job as well as the support and information you need. If you cannot meet the requirements of your job, your line manager will provide you with the support to help you reach the expected standards.

6.2 We are all individually responsible for managing our performance and engaging in conversations about it. You are responsible for the quality of your work and for putting in the effort needed to do the job to the standard required. You need to be clear on what it is you are being asked to do at work and what you need to do to achieve your goals and/or measures. You will need to work with your manager to agree how you are going to achieve your goals and/or measures and when you need to achieve them by. If you need help, tell your manager and make it clear what support you think you need to be able to do your job.

6.3 Your manager will make sure that you understand what you are expected to do in your job and that you know how to do it well. They will agree a set of goals and/or measures for you to achieve each year, starting from when you first join the Council. They will give you the support you need to achieve these by having regular conversations with you about your work throughout the year and by providing you with the time and development you need to do the best you can.

6.4 Your manager will have received appropriate performance management training to ensure that the performance management framework is adopted and applied consistently and fairly across the organisation.

6.5 Your manager's performance will be evaluated each year on how effectively they support their people to perform and how they manage the performance of their area.

Related documents

7.1 This policy forms part of the overall performance framework, a copy of which is attached.

Equalities impact

8.1 For details of the completed Record of Equality and Rights Impact Assessment (ERIA) form, contact the named author of the policy.

Sustainability impact

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

Risk assessment

10.1 The revised policy is fully compliant with legislative requirements and good employment practice.

Review

11.1 This document is a local collective agreement between the Council and the recognised Trade Unions. We will make every effort to ensure that this policy is maintained as a local collective agreement, with changes made by agreement. If we cannot agree, either party can end the local collective agreement by giving four months notice in writing. In such circumstances, the terms of the local agreement will cease to apply to existing and future employees

11.2 We will review this policy regularly to ensure that it continues to support the performance of our colleagues.

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OUR PERFORMANCE FRAMEWORK

Being our best in everything we do for the people in our city

ABOUT THIS FRAMEWORK

WHAT IS IT? – Having great performance conversations is a craft you develop over time. This framework is designed to support you in having these conversations. It offers a blend of templates, tools and tips to be used flexibly to suit your needs and situation.

WHAT DOES IT COVER? – The framework is made up of the following elements:

VALUES MAP – A set of the best behaviours, approaches, qualities and attitudes that show HOW we are expected to approach our work. These are aligned to our core values: Customer first / Working Together / Honest & Transparent / Forward Thinking.

ANNUAL CONVERSATION – A chance to step back and take stock. We reflect on the year that's been and what we've accomplished and we get prepared for the year ahead and what we want to achieve.

PERFORMANCE IMPROVEMENT CONVERSATION – As and when issues arise, we may need a conversation about improving our performance. This is a one to one discussion to dig deeper into the reasons for a performance issue, to get clear on what the issue is and to agree a way forward together.

ONE to ONE CHECK-IN - Regular one to one catch ups that take place throughout the year. We talk about progress against goals and measures, your life and wellbeing, challenges you are encountering and any support and development needs you have. You'll also be able to share and receive feedback.

FEEDBACK – Quick and simple tools to enable real-time and regular feedback on performance from our colleagues, managers, direct reports and customers.

TEAM CHECK-IN – Regular team catch ups that take place throughout the year. A chance to discuss and reflect on our team priorities, goals, challenges, ideas and opportunities. It's also a chance to share our learning, discuss the wider context and celebrate our achievements.

Values Map

This VALUES MAP is a set of all the best qualities, behaviours, approaches and attitudes that show how we do things when we are at our best. Our four values make our organisation unique. They are at the heart of everything we do and the core of who we are and who we want to be. The values map will help us to celebrate what we do well, have meaningful conversations about how we can be at our best and how we might want to develop.

HONEST and TRANSPARENT

We hold ourselves accountable to our city and act with integrity in everything we do

FORWARD THINKING

We think ahead and approach our work creatively to continuously improve the services we offer

PUT CUSTOMERS FIRST

We treat our customers with respect and deliver caring and responsive services

WORK TOGETHER

We keep connected with our communities and partners and make relationships a priority, working flexibly together to achieve our goals

At my best

- I do everything with commitment and total belief in what I care for
- I am consistent and deliver what I said I would efficiently and to the highest standard possible
- I care and use a genuine approach to engage with customers and the people I work and interact with
- When making decisions, I focus on the outcome and have the person at the heart
- I am flexible and adapt my style and communication to focus on what matters to people
- I am committed and see things through to the very end to get the job done
- I involve customers to be active partners and acknowledge that I might not always be the expert
- I take the time to listen and ask questions to seek understanding
- I help people feel at ease and comfortable by building trust and being open

Put customers first

We treat our customers with respect and deliver caring and responsive services

Not at my best

- I let my mood affect how I treat others
- I make little or no effort to understand things from others' point of view and ignore the voice of the customer
- I make promises I cannot keep for an easier way out
- I make assumptions and take a "one size fits all" approach when working with people
- I focus solely on the task and process, not the people
- I can be insensitive and unhelpful to customers and my style does not take into account their feelings and opinions
- I behave in a way that is detrimental for my customers or has a negative impact on the Council's reputation

Working together

We keep connected with our communities and partners and make relationships a priority, working flexibly together to achieve our goals

At my best

- I engage people in a way that inspires them to be a part of it
- I help the people I work with to stay connected to the good work we are doing together
- I give importance to growing relationships with others
- I acknowledge the good work and achievements of the people around me
- I am genuine with people and respectful in my conversations
- I approach conversations with shared solutions in mind
- I extend trust and take time to understand people I am working with
- I give colleagues the same importance as external customers and take the time to get to know them so that we can work well together
- I recognise the times when what's needed is to roll up our sleeves and pull together
- I support people I work with and challenge them appropriately when I need to

Not at my best

- I'm not flexible in my approach to meet the needs of other people
- I sometimes play power games to drive forward my own agenda and undermine the people I work with
- I behave in a way that is detrimental for my colleagues and team
- I give greater importance to my own opinions and achievements over others
- I am not approachable and don't prioritise giving people time and space
- I have little interest and take no responsibility in getting to know people and finding out the best about them
- I don't make efforts to understand how my work or the team's work fits into the bigger picture
- I don't make efforts to share information about my work that is not confidential with others
- I take the easy option and do things myself even when I know it's better to work with others
- I allow issues to build up rather than exploring different perspectives to find solutions

At my best

- I feel excited, passionate and connected with the work I do
- If I see that something is not working or it could be improved, I take responsibility to do something about it
- I am curious and open to new approaches and I think creatively to make things happen
- I actively play my part in making the future vision for our service and city a reality
- I persevere on the tough days to find solutions and opportunities for continuous improvement
- I embrace change with enthusiasm and see it as an opportunity to make things better
- I regularly take stock of what I am here to do and I believe I can make a difference
- I take steps to achieve future goals
- I take the time for fresh thinking and I encourage others to share ideas and try new things
- I make sure I know the facts and what is important when planning and making decisions
- I take ownership for my own learning to continuously develop and fulfil the requirements of my role

Forward thinking

We think ahead and approach our work creatively to continuously improve the services we offer

Not at my best

- I rely on established solutions, ignore feedback and don't ask or value other people's views and suggestions
- I ignore problems, don't use my initiative and hide behind my job description
- Dismiss fresh and new ideas and discourage people from suggesting new ways of doing things
- I stick to the status quo and remain focussed on problems, not solutions
- I ignore the facts and evidence to justify my decisions
- I take short cuts and turn a blind eye when things are getting tough
- I work within my own rigid parameters
- I have a 'yes but' for every solution suggested

Honest and transparent

We hold ourselves accountable to our city and act with integrity in everything we do

At my best

- I stay true to our values and feel accountable to do the right thing even when it's really challenging
- I am open and honest about what I do and what I don't know and I seek people's ideas and suggestions to find solutions
- I play my part in helping my team act with integrity in everything we do together
- I am transparent about the work I do, how I go about it and the decision I make
- I have confidence in myself to make the best decisions and take into account the impact on other people
- I take the time to reflect on my approach to help me stay true to the Council values and the values that are important to me
- I have conversations that are clear and frank at the same time as being respectful and constructive
- I speak up to positively challenge others in a way that is constructive, specific and appropriate

Not at my best

- I might be manipulative when influencing others and leave people with the impression I agree even when I don't
- I blame the "system" and/or others by not taking responsibility for my actions
- I give the impression I agree with service improvements but I don't help to achieve them or I even quietly undermine them
- When making decisions, I hold back for fear of being judged
- I talk negatively about the Council and people working within it
- I take a back seat when my opinions are needed and sometimes I criticise the outcome when it's too late
- I am blunt and insensitive when being honest
- I pass the buck when things get tough
- I don't tell the whole truth about my work, my approach or the decision I make
- I put off the conversations and don't tackle the tough stuff

THE ANNUAL CONVERSATION

A conversation once a year between us and our line manager. A chance to step back and take stock. We reflect on the year that's been and what we've accomplished and we get prepared for the year ahead and what we want to achieve

LOOKING AHEAD: SETTING THE COURSE

WHY
What are we trying to make happen in our service area this year and why? What's the difference I want to make in this?

WHAT
What does this mean for my contribution in the year ahead? What will I need to do? And how will I know that I've been successful? What does good look like? What will the measure of good be?

HOW
How will I go about it? How do I want to approach my work this year in a way that I'll be most proud of? What will great look like in terms of my approach?

MY SUPPORT AND DEVELOPMENT
What does this mean for my development and the support I need in the year ahead? Where do I want to go longer term and what support would help?

OUTPUTS
Agreement on:

Expectations for the year ahead

What I do	How I do it
My goals and/or performance measures	Our values and relevant professional standards

My development priorities/knowledge, skills, behaviour

LOOKING BACK: REFLECTING ON MY ACHIEVEMENTS

MY IMPACT
So, all in all, what's the impact I had this year on our outcomes, service, and colleagues? And how does this relate to what we're trying to make happen in our service?

MY LEARNING & STRETCH
What are my reflections on what I learnt this year? In what ways did I develop and stretch myself and the service this year? And how does that fit with the development priorities set?

HOW I WENT ABOUT IT
What are my reflections on the approach I took this year – on the good days and the more challenging days? How does that fit with our values? And did I feel supported to bring my best?

WHAT'S BEEN ACCOMPLISHED
What's the best of what I've achieved or accomplished this year? And how does that stack up against my goals and measures?

OUTPUTS
Agreement on:

My performance zone

What I deliver	How I go about it

Implications for my development

ANNUAL CONVERSATION QUESTIONS BANK

PICK MIX & PERSONALISE

Some suggested questions from both an employee and manager perspective that we can choose from to prompt a good annual conversation

LOOKING BACK

MANAGER

When you think about the last 12 months, what do you feel really proud of?

What strengths or approaches did you use that helped you achieve that?

What have you enjoyed working on most over the year?

What is something new you learned in the past year?

What has been challenging or had you feeling out of your comfort zone?

EMPLOYEE

What impact has my contribution made on our service area?

What do you feel my key achievements have been over the last 12 months?

In what ways do you think I could further improve?

LOOKING FORWARD

MANAGER

Where do you think you could focus your energies over the next 12 months that would make the biggest impact?

What goals are we looking at this year that interest you and present an opportunity to develop?

How can we be clear on what good looks like in all key areas of the role?

How do you want to stretch your skills or further grow your impact this year?

What support do you need – and from who?

EMPLOYEE

What are some of the big priorities coming up for our team that I might contribute to and how do these relate to the bigger picture?

What support and development opportunities are available to help me achieve my priorities?

What are the standards we're striving for in our service?

PERFORMANCE ZONES

Reflecting back on the whole year on balance, these zones give us an overall sense of how we are doing in our role in terms of what we do and how we do it

GEM (GOING THE EXTRA MILE)

At various points throughout the year, there will be many times when we're truly going the extra mile – going above and beyond to pull together in the face of team challenges, delivering a particularly impressive quality of service or being the one who works consistently behind the scenes to keep the show on the road against the odds. Why wait until the end of the year to recognise this? It's hoped that space can be created throughout the year to appreciate, recognise and celebrate these moments at the time.

NEEDING SUPPORT

It might be because I'm brand new in post or, for whatever reason, I'm not yet hitting what's expected of me in my role yet and am showing the need for solid improvement in one or more key areas for my contribution to be where it needs to be in the year ahead.

This will likely include one or more of the following:

- Struggling to achieve performance goals, measures or standards expected in my role
- Being a way off approaching my work in a way that sits well with our values or professional standards
- Avoiding helping out my colleagues where needed or showing no real desire to ensure our service meets the standards our customers should be able to expect
- Requiring a level of support or direction that wouldn't ordinarily be expected for the level and scope of the role
- Struggling to have a positive impact on my customers or service users or having a negative impact on the team

ALMOST THERE

Whether I'm brand new to role or not, I'm a developing performer who is very close to consistently achieving what's expected of me and need just a bit more development in one or more areas to be really delivering my best in the year ahead and beyond.

This will likely include one or more of the following:

- Sharpening up my approach in relation to a key skill, one of our values or one of the professional standards we hold as important in my area
- Doing more to ensure I balance my priorities or deliver within the expected timeframes
- Stretching myself to be more proactive in overcoming the day-to-day challenges I face in my role
- Developing the experience needed for the role or focusing on the learning that would help with the changes and developments in my area
- Focusing in on improving the impact I have with my colleagues or customers / service users or focusing on improving the relationships that are key to this role

FULLY EFFECTIVE

I'm reliably broadly achieving what's expected of me on all fronts not just in terms of what I deliver but how I go about it, including taking responsibility for my ongoing development and supporting the team along the way.

This will likely include:

- Broadly hitting the performance goals and/or measures expected in my role (taking in to account reasonable obstacles)
- Consistently approaching my work in a way that fits really well with our values and professional standards (taking in to account the fact that we all may have the occasional bad day)
- Reliably helping out my colleagues and offering ideas, however small, for how we can continuously improve our service
- Embracing opportunities to learn within my role and, for the most part, actively keeping focused on my ongoing personal development
- Typically having a positive impact on my customers or service users and being somebody who is a consistently positive face for the Council

ANNUAL CONVERSATION RECORD

A form to record the key points and actions arising from the annual conversation

Name of employee	Name of manager
Employee number	Performance period

Performance goals and/or measures

This is the place to make sure you have a clear and tangible agreed picture of what good looks like for the employee in the year ahead, both in terms of what needs to be achieved and how and if relevant by when.

Personal development priorities

This is the place to make sure you have a clear agreed picture of what the priorities are for the employee's personal development in the year ahead, with clarity on the development need or ambition as well as how and when the development will happen.

Review of the year

Employee reflections	Manager reflections	Performance zone

ONE-to-ONE CHECK-IN

A one-to-one catch up that takes place regularly (frequency to be agreed between us and our manager) throughout the year. These might be pre-arranged meetings or just a quick touch-base. This tool suggests some topics that can be used to focus the conversations. Pick which ones feel the most important to talk about at the time.

A conversation around what challenges, barriers & obstacles are being experienced and how these could be overcome and what support we might need to overcome them.

A conversation about us as a person. A chance to discuss how we are in general, how we are feeling, any time off we have had and anything in our personal life that might be impacting on our working life or vice versa.

A chance to use feedback to reinforce good practice or behaviour, recognise where we have gone the extra mile or highlight where improvements are needed. Feedback and recognition should be two-way.

A conversation about our personal development needs and an opportunity to explore how we might want to expand our knowledge, skills and experience and reflect on career aspirations.

A conversation to ensure that goals are on track.

A conversation around recent and up-coming task & activities.

ONE-to-ONE CHECK-IN QUESTIONS BANK [Manager questions]

Some suggested questions for managers to choose from and personalise to help to start a good one-to-one check-in conversation

CHALLENGES & SUPPORT

- What is your biggest challenge right now?
- What approaches are you taking to address it and what have you learned in the process?
- What other approaches could you consider?
- What support could help you?

LIFE & WELLBEING

- How do you feel about your work/life balance right now? How can I help?
- What worries or concerns do you have?
- What changes could you make to improve your thinking time or "headspace"?
- What do you spend your time on that doesn't add value that you could stop doing?

FEEDBACK & WHAT I DO WELL

- What is your sense of how well you are performing?
- What feedback have you sought recently and what have you learned from this?
- What makes you feel valued at work?
- Do you have any feedback for me?

GOALS & PERFORMANCE MEASURES

- How do you think your goals are progressing and how do you feel about that?
- What approaches are you taking to achieve your goals / the standards?
- What is getting in the way of you achieving what's needed in your role?
- Are you getting the support from me or others? What could I do more of to support you?

PERSONAL DEVELOPMENT

- How are you progressing against your personal development priorities? Where do you feel you would like to further grow?
- What might be one area for development that would help you to perform even better or have more impact?
- When thinking of your long term career, what is important to you?

TASK & ACTIVITIES

- What's taking up most of your time at the moment?
- How well prioritized do your various tasks feel?
- What has gone well for you recently? What is it about the approach you're taking that's helped?
- What are you trying to make happen in the next month?
- Who do you need to involve in that?

ONE-to-ONE CHECK-IN QUESTIONS BANK [Employee questions]

Some suggested questions for employees to choose from and personalise to help to start a good one-to-one check-in conversation

CHALLENGES & SUPPORT

- What approaches could I take to address my biggest challenge?
- How can I get support with...?
- Who can help me with...?
- Who needs support from me in the team?

LIFE & WELLBEING

- How might I get the right balance between work and life in my role?
- What changes could I make to get more headspace?

FEEDBACK & WHAT I DO WELL

- What is your sense of how I am performing?
- What's your sense of the best of my strengths?
- What nudge would you give me that would help me be more effective?
- Can you give me some feedback on what you saw from me during... piece of work?

GOALS & PERFORMANCE MEASURES

- How do you see my goals are progressing?
- How close to hitting the measures of success do you think I am?
- Am I delivering to the standard you're looking for?

PERSONAL DEVELOPMENT

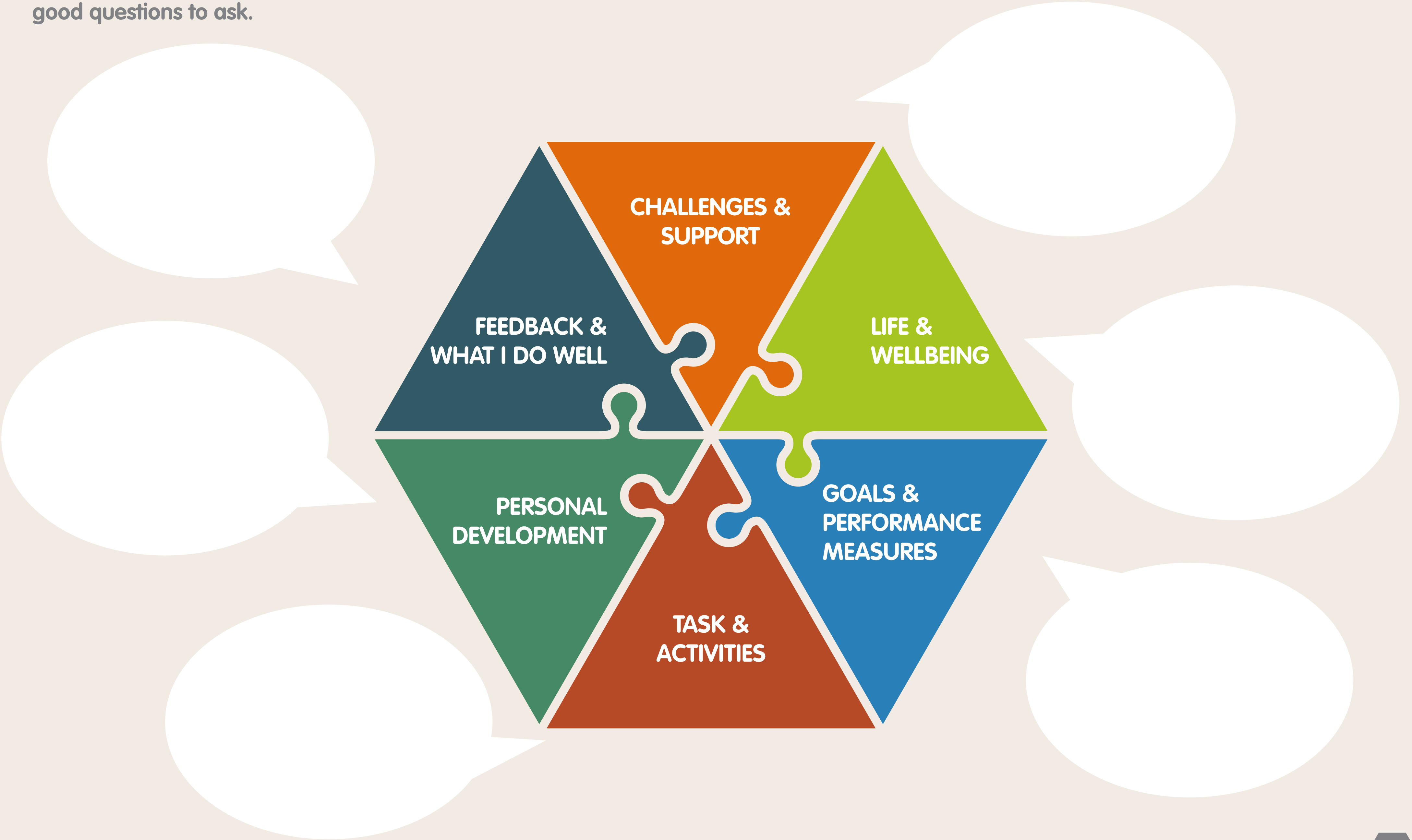
- What personal development opportunities are there that could help me with...?
- How could I learn more about…..?
- Who might I be able to shadow to learn more about...?

TASK & ACTIVITIES

- What do you see as being some of my recent highlights?
- What's one bit of feedback you could give me to help my development?

CHECK-IN PREPARATION TOOL

An optional tool for both a manager and an employee to use, if helpful, to prepare for a one-to-one check in. We could use it to jot down reminders of what we would like to talk about and/or make a note of some good questions to ask.



ONE-to-ONE CHECK-IN RECORD

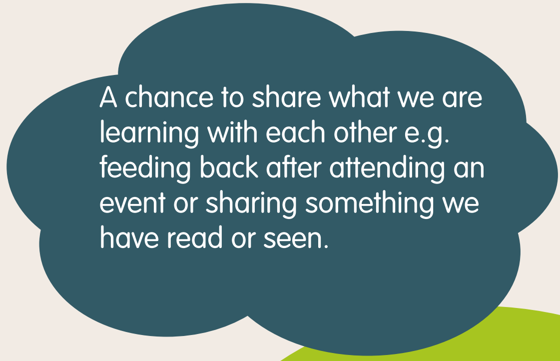
A form to record the key points and actions arising from a one-to-one check in meeting

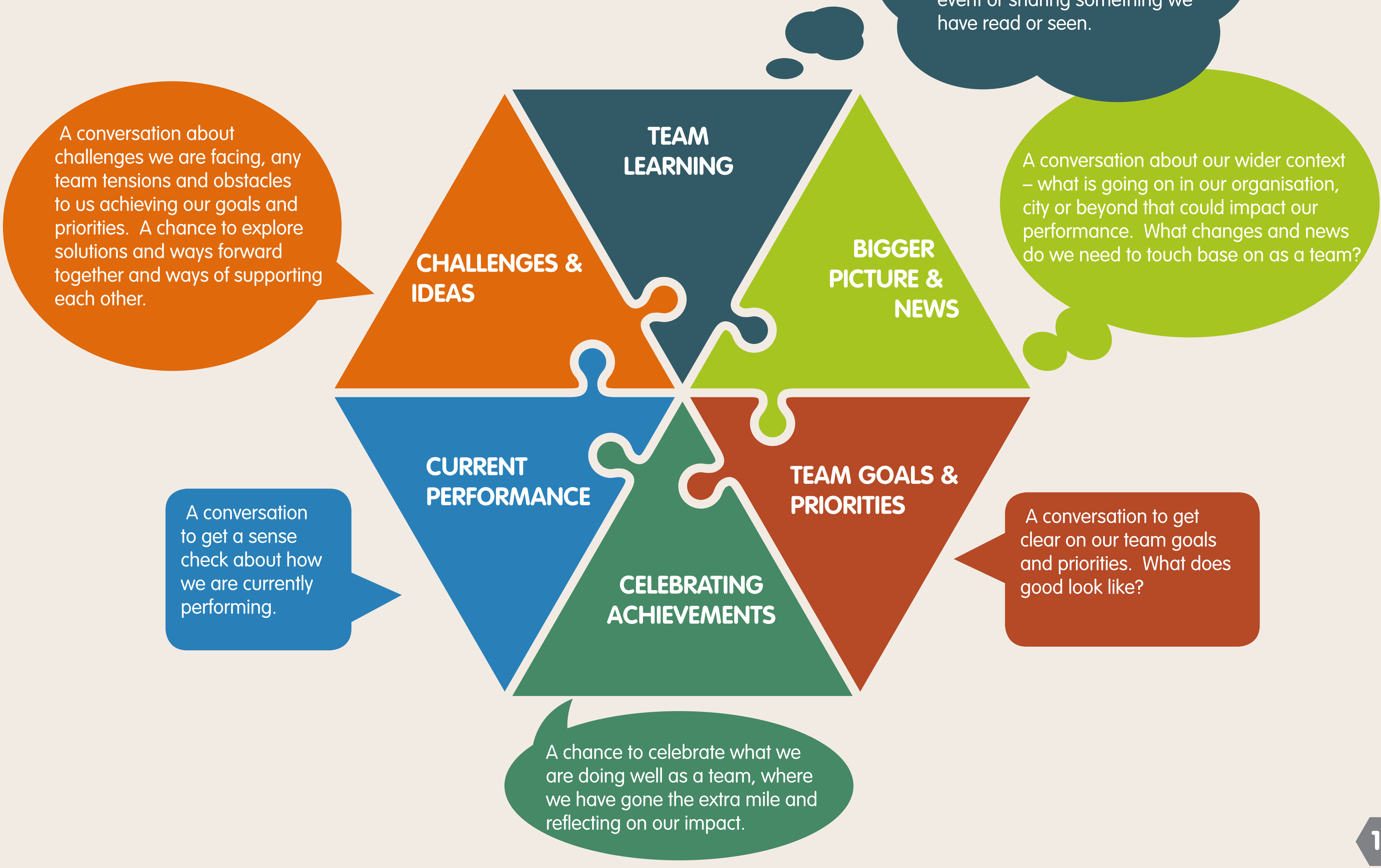
Name of employee	Name of manager

DATE	MAIN TOPICS DISCUSSED	ACTIONS (Who will do what by when)

TEAM CHECK-IN

A regular team catch up (frequency will vary between service areas). This tool suggests some topics that can be used to focus team check-in conversations. Pick which ones feel the most important to talk about.





PERFORMANCE IMPROVEMENT CONVERSATION

As and when issues arise, we may need a conversation about resolving a performance issue. This tool suggests a way to structure a one-to-one performance improvement conversation to dig deeper into the reasons for a performance issue, to get clear on what the issue is and to agree a way forward together.

WHAT IS THE PURPOSE OF THE CONVERSATION?

State why we're here and the intent to resolve the issue.

SHARING FEEDBACK ABOUT THE ISSUE

- Give honest and constructive feedback about the issue, with specific examples
- Describe the impact of the issue on others
- Clarify what will happen if nothing changes
- Recognise what is working well that we can build on

EXPLORING THE REASONS BEHIND THE ISSUE

- Explore what they think about the issue
- Explore possible reasons for the issue
- Try to learn what is going on from their point of view

WHAT CAN & WILL WE DO ABOUT IT?

Work towards a resolution to find a way forward together, being clear about what happens next and who will do what.

TOP 3 TIPS

- Choose the time and place for the conversation carefully
- Ask open questions and listen carefully to the responses
- Keep focused on moving towards a resolution

PERFORMANCE IMPROVEMENT QUESTIONS BANK

Some suggested questions for managers to choose from and personalise to help explore reasons behind a performance issue and what we can do about it.

Exploring the issue

- Can we talk through how you approached X piece of work?
- What is the issue as you see it?
- What impact can you imagine this having on others?
- How engaged do you feel with your work generally?
- How clear are you on the goals, standards and expectations of the role?
- How supported do you feel?
- How confident do you feel in your ability?
- What else is happening that might be having an impact?

Exploring what we can do about it

- How do we move forward from here to get things back on track?
- What is the best first step in resolving this?
- What support would help you? From who?
- What could I do differently to help you be at your best?
- What are the next steps we're agreeing then?
- Where might you need to grow your skills?
- What might get in the way and how will we get past that?

TIMELY AND REGULAR FEEDBACK AND APPRECIATION

A tool to encourage us to regularly seek feedback on our performance from our manager, colleagues, direct reports and/or customers and to remind us to show timely appreciation to others.

My strengths

- When I'm at my best, what do you see from me?
- When I'm at my best, how does it effect others?
- What are my unique strengths?
- What do you value about my approach?

Ask Yourself Regularly…

- Is there someone I owe a simple thank you to?
- Is there something great I've seen someone do?
- Why was it great and how will I let them know?
- Is there someone I owe some appreciation to? (Including the reliable people who are sometimes in the background.)

How I can improve?

- When I'm not at my best, what do you see?
- When I'm not at my best, how does it effect others?
- What could I improve on and how might I go about it?

Top Tips

- Be honest
- Be specific
- Be respectful
- Be constructive

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WORK TOGETHER

We keep connected with our communities and partners and make relationships a priority, working flexibly together to achieve our goals

If you want to know more about our new performance framework or if you have any questions, please contact your manager.

We would love to hear your feedback on this framework, email us at hrsc@edinburgh.gov.uk

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Annual Workforce Controls Report

Item number	7.10
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report provides insight into Council workforce metrics and trends for workforce Full Time Equivalent (FTE), new starts and leavers, basic salary, overtime costs, agency costs and sickness absence rates and reasons, for the period January to December 2017.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Annual Workforce Controls Report

1. Recommendations

1.1 The Committee is recommended to:

1.1.1 To scrutinise the progress made to date and note the workforce trends over the period January to December 2017; and

1.1.2 To refer this report to Governance, Risk and Best Value Committee as part of its work programme.

2. Background

2.1 Workforce costs form the largest single element of the Council's revenue budget. The application of robust and effective workforce controls is critical to achieving the savings set out in the Council's Business Plan and associated budget.

2.2 A report on the development of a workforce control framework was first reported to the Finance and Resources Committee on 19 March 2015, with subsequent annual reporting provided on 14 January 2016, and 23 February 2017.

2.3 Since the last report update to committee, the Council has implemented a single workforce dashboard and management information (MI) process to provide the organisation with consistent, regular, and accurate workforce MI/data to facilitate workforce controls, strategic workforce planning, and to measure performance. Reporting has now been implemented at the Council, Directorate, and Division/Service level (for certain measures) to provide reliable insight into a range of workforce controls. The recent implementation of workforce dashboards at Directorate level provides regular MI on the monthly variation in Full Time Equivalent (FTE)/costs (by contract type – permanent, Fixed Term Contract (FTC), acting up/secondment and apprentice), and trend analysis to support workforce management controls. Due to the organisational structure changes and their subsequent impact on our HR management information system, some of the Directorate level dashboards only provide data from June 2017 rather than January 2017.

3. Main report

3.1 This report provides MI and analysis to show the current position and trends across five core areas of workforce controls. The reporting provides analysis at both the organisation and directorate level. The analysis provides insight into:

- Full Time Equivalent employee population (FTE) and trends;
- Basic salary costs for the FTE employee population and trends;
- FTE and basic salary costs of new starts and leavers;
- Overtime costs and trends;
- Agency costs for primary, other, and off-contract suppliers and trends; and
- Sickness absence rates, the reasons and costs of absence, and the impact of open ended long-term absence cases on organisation FTE.

3.2 For each of these measures, the reporting shows the position at December 2017, and month on month variation and trends observed since January 2017. The reporting also considers the current position and trends in the context of the earlier position at 2016.

3.3 A significant amount of structural change was implemented in the Council's HR management information system in 2017, and a new centralised data and MI reporting process was introduced by HR in June 2017 which allows for consistent and accurate reporting of workforce data for all new Council Directorates. Directorate level MI has been made available in this report, where data reconciliation between old and new structures has been possible, to give insight into the workforce control data below the organisation level and help understand the main reasons for organisation trends.

3.4 We also continue to see legislative changes which we are required to adopt. This includes factors such as travel expenses, shared parental leave and casual worker entitlement. Typically, such changes have cost implications. Whilst workforce planning can mitigate some of this, there will invariably be some unquantifiable additional costs.

Summary

3.5 The reporting period saw a consistent rising trend in FTEs amounting to an increase of 414 FTE. New starters account for around 21% of the total increase, with the balance being in part due to the adjusted reporting in 2016 of 250[1] FTE and contractual changes in our existing workforce (e.g. additional contracts or additional contractual hours).

3.6 Basic salary costs have also shown an upward trend, increasing by £18.8M in the period. Whilst much of this increase will be due to the increase in FTE, around £8.5M is due to the application of the 2017/18 annual pay award (c5.3 M) and pay steps (contribution based pay (CBP) and pay progression).

[1] Reported at F&R Committee June 2017

3.7 The basic salary cost for new joiners to the organisation was £2.1M lower than the cost of employees leaving the organisation as new starters tend to be appointed at the bottom of the grade, however this saving was offset by additional costs from additional FTE increases (existing population), the pay award and pay steps.

3.8 Fewer employees left the organisation under Voluntary Early Release Arrangement (VERA)/Voluntary Redundancy (VR) in the 2017 period than in 2016; there were 201 (177 FTE) VERA/VR leavers between January and December 2017, with a basic salary cost of £6.1M. This is due to the majority of reviews under Transformation completing in 2016, with the final stages completing in 2017/18. The Council pledge of no compulsory redundancy remains in place with the current administration. The enhanced voluntary redundancy payments agreed by the previous administration remain in place to incentivise early release.

3.9 A slight downward trend was observed for agency spend over the 12-month period. The total agency spend for the year was £18.8M, with an average monthly cost of approx. £1.6M.[2] It is noted that 93% of all agency spend was linked to the primary and other contracted suppliers. Approximately 40% (£7.6m) was paid through the social care agency workers framework, 29% (£5.5m) was spent in Waste and Cleansing, Health and Social Care and Customer/Business Support via the Pertemps contract and 11% (£2M) was paid to the previous supplier Addeco. The remaining 3.7M agency spend was spread across the Council. At its meeting on 1 December 2016 the Committee approved a change of agency supplier to Pertemps Recruitment Partnership Limited ("Pertemps") and this contract came in effect on 12 June 2017. The new contract provides the Council greater value for money and based upon indicative historical spend for temporary agency staff there is a project cost saving of £713,036 over the contract period (including extension) compared with the previous negotiated rates. A second procurement exercise is currently underway for the provision of social care agency workers as the current framework agreement is due to end on 31 July 2018.

3.10 A slight downward trend was observed for overtime spend (down £40K) over the 12-month period despite the impact of the pay award and pay steps (post April 2017) on hourly rates.

3.11 Lost working time due to ill-health, or sickness absence, continued to rise, increasing from 5.21% to 5.41% over the period, with an estimated annual cost in the region of £23M in lost productivity. There were 172,000 days lost to absence in 2017; 32.1% of this absence was short term, and 67.9% was long term (more than 4 weeks). All directorates showed an increase in absence, except Place. The primary causes of long-term absence were stress, both work and non-work related, and mental health related illness.

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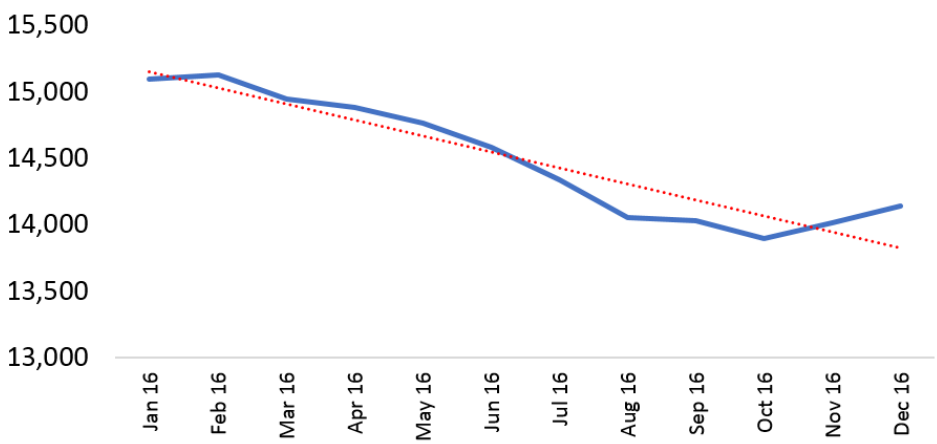
[2] Figures quoted are based on invoices paid in each month and may change slightly once Commercial and Procurement Services complete April invoice reconciliation to work completed within 2017/8.

3.12 The 2016 period saw a significant reduction in FTE from January to December as part of the Transformation change programme. Over the same period, absence levels in the organisation increased and have continued to increase throughout 2017. It is recognised that the increase in sickness absence levels has been caused, in part by the impact of reduced FTE and a number of initiatives have been introduced during 2017 to better support employees and managers. It is anticipated that the effects of these initiatives will begin to be felt during 2018.

Workforce FTE

3.13 Following large scale workforce FTE reduction in 2016 where our population reduced by 952 FTE over the 12-month period (see Figure 1), 2017 saw a general upward trend in our FTE (see Figure 2) with an overall FTE increased by 414 FTE between January and December 2017.

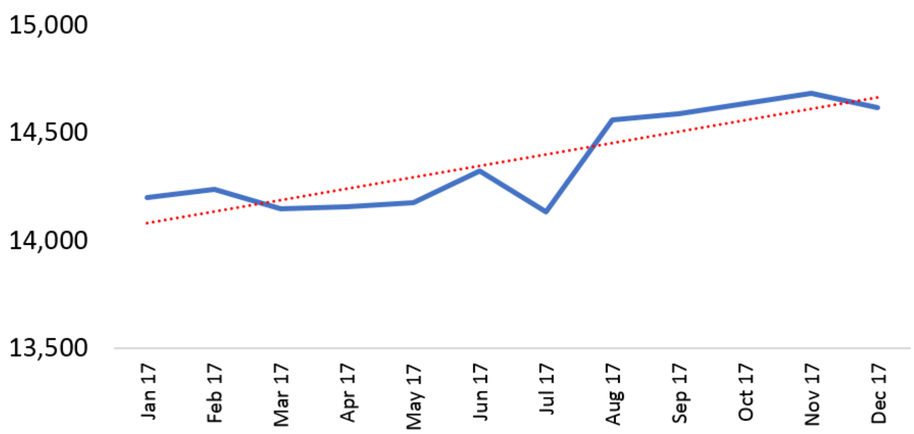
Figure 1: Organisation FTE Trend 2016



Period	FTE
Jan 16	15,095
Feb 16	15,125
Mar 16	14,944
Apr 16	14,883
May 16	14,765
Jun 16	14,582
Jul 16	14,334
Aug 16	14,050
Sep 16	14,025
Oct 16	13,897
Nov 16	14,014
Dec 16	14,143

Includes perm, FTC/temp, apprentice/trainee contracts

Figure 2: Organisation FTE Trend 2017



Period	FTE
Jan 17	14,200
Feb 17	14,236
Mar 17	14,148
Apr 17	14,157
May 17	14,173
Jun-17	14,320
Jul-17	14,132
Aug-17	14,560
Sep-17	14,588
Oct-17	14,633
Nov-17	14,683
Dec-17	14,614

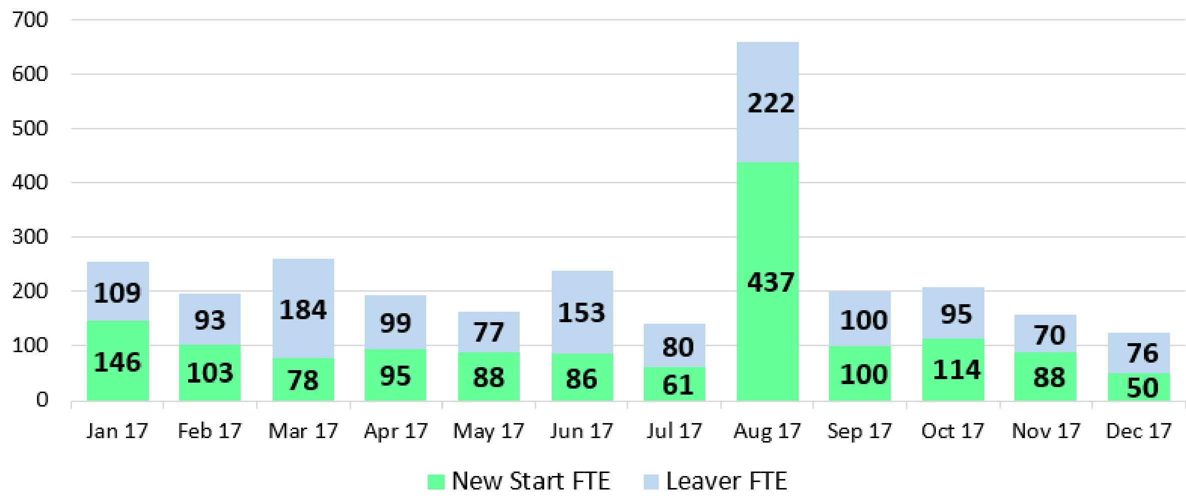
Includes perm, FTC/temp, apprentice/trainee contracts

3.14 The greatest overall increase in FTE was observed in August and this was attributable to the appointment of additional teaching and school support resource in Communities and Families, linked to greater Pupil Equity Funding being made available to the local authority. The total PEF funding allocated to Edinburgh for 2017/18 was £7.472m. PEF funding is targeted at closing the poverty related attainment gap to enable schools to deliver activities, interventions or resources which are additional to those already in plan. The primary focus is on activities and interventions that will lead to improvements in literacy, numeracy and health and well-being. As a result, any teachers recruited through PEF are excluded from the authority's contribution to any national teacher numbers and/or ratio commitment. FTE increased by 428 in August, 389 FTE of this was in Communities and Families, with 343 FTE in the primary and secondary schools structure. The August period figures also include the increase to basic salaries/linked payments resulting from application of the national pay award (£350/1%).

3.15 The usual seasonal FTE fluctuation was observed in the July 17 period, due to the end of the school year and associated contractual changes (e.g. ending of fixed term contracts); this is not visible in the 2016 trend due to employee reductions from transformation organisational reviews.

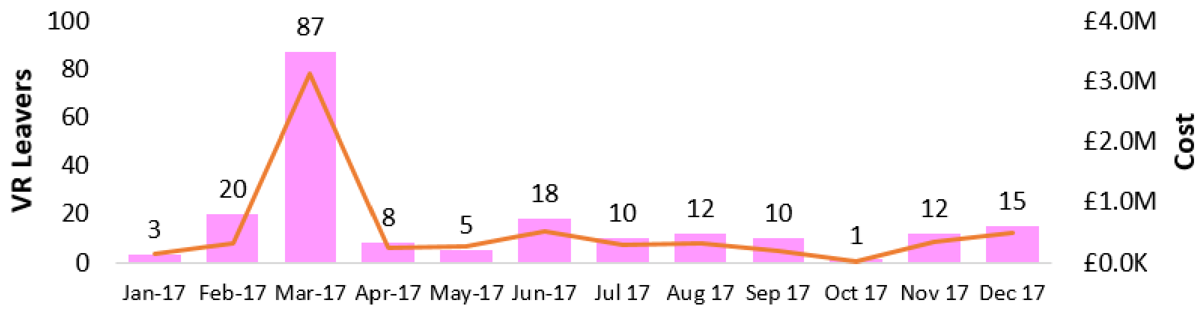
3.16 Over the year, there were 1446 new starts to the organisation and 1358 leavers, giving a net increase of 88 FTE from new starts. A breakdown of new starts and leavers in each month is shown in Figure 3. The main increase in total FTE increase across the Council in the year was attributable to contractual changes in the existing workforce (e.g. additional contracts or additional contractual hours).

Figure 3: FTE: Organisation New Starts and Leavers, January – December 2017



3.17 In 2017, 201 employees (177 FTE) left the Council (with total basic salary cost of £6.1M), as a result of VERA/VR arrangements linked to organisational reviews, with a peak in leavers at March 2017. This group of 177 FTE represents 13% of organisation leavers in the 2017 12-month period. These leavers are included in the organisation leaver data referred to in this report (FTE and costs). Figure 4 shows the total VERA/VR leavers over the year and the associated salary costs.

Figure 4: Organisation VERA/VR Leavers and Basic Salary Cost, January – December 2017



3.18 By comparison, in 2016 there were 700 VR/VERA leavers (FTE 651) with a total salary cost of £28.3M. This group of 651 FTE represented 32% of all organisation leavers in 2016.

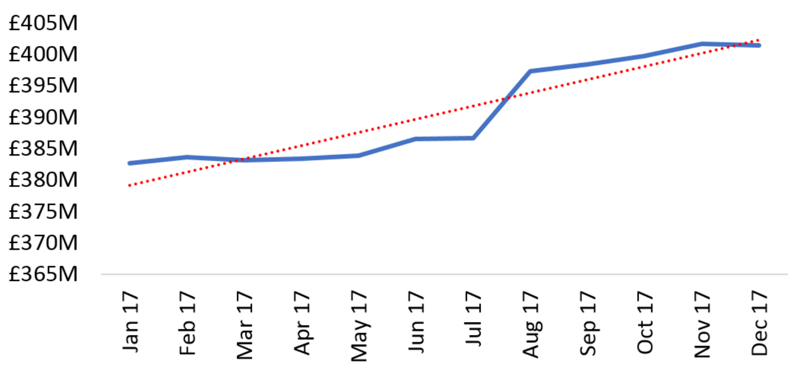
3.19 The Council implemented a suite of workforce MI dashboards in June 2017 which provide additional insight into how the increase in overall FTE is comprised. Appendix 1 provides information on the FTE trend at the directorate level between June and December 2017. This data shows that the upward trend in FTE was not consistent across all directorates. Ongoing organisational reviews in Edinburgh Health and Social Care Partnership, Resources and the Chief Executive's Service led to overall FTE reductions for these directorates between June and Dec 2017.

3.20 Organisation FTE increases are predominantly linked to Communities and Families, which saw the largest FTE increase of 330, from 6579 (June) to 6909 (Dec). Place and Chief Executive: Safer and Stronger Communities also saw increases, but on a smaller scale, increasing by 86 FTE and 18 FTE respectively.

Workforce Basic Salary Cost

3.21 In 2017 our basic salary costs increased by £18.8M, from £382.7M to £401.5M:

Figure 5: Organisation Basic Salary Cost Trend, January – December 2017

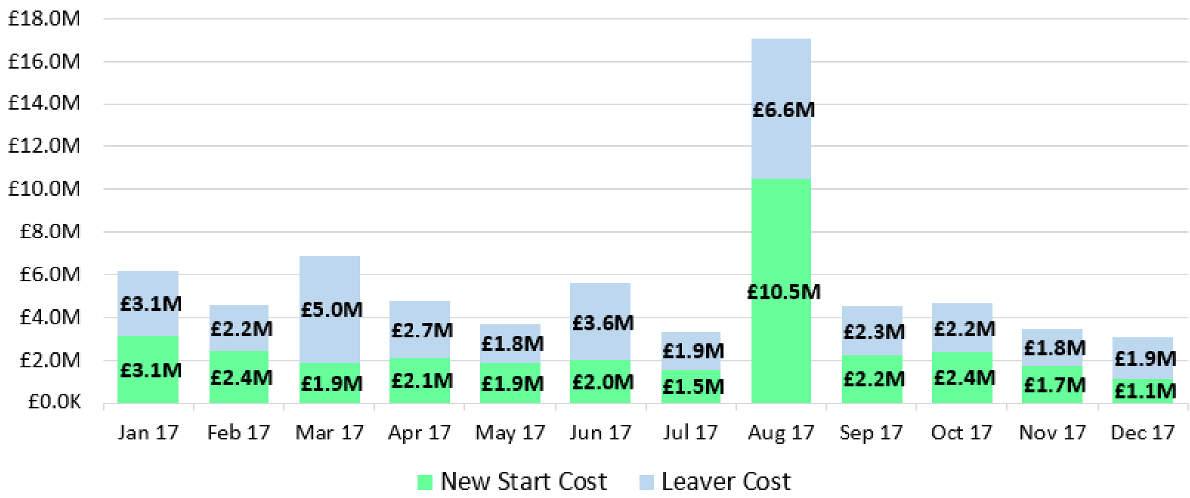


Period	Cost
Jan 17	£382.7M
Feb 17	£383.7M
Mar 17	£383.2M
Apr 17	£383.4M
May 17	£383.9M
Jun-17	£386.6M
Jul-17	£386.7M
Aug-17	£397.4M
Sep-17	£398.4M
Oct-17	£399.8M
Nov-17	£401.8M
Dec-17	£401.5M

Includes perm, FTC/temp, apprentice/trainee contracts

3.22 Over the 12 months the total cost of new starters was £32.9M and leavers was £35M, giving a net saving of £2.1M in this area, see Figure 6. This means that the cost of new employees joining the organisation was lower than the cost of those employees that left in 2017.

Figure 6: Basic Salary Cost: Organisation New Starts and Leavers, January – December 2017



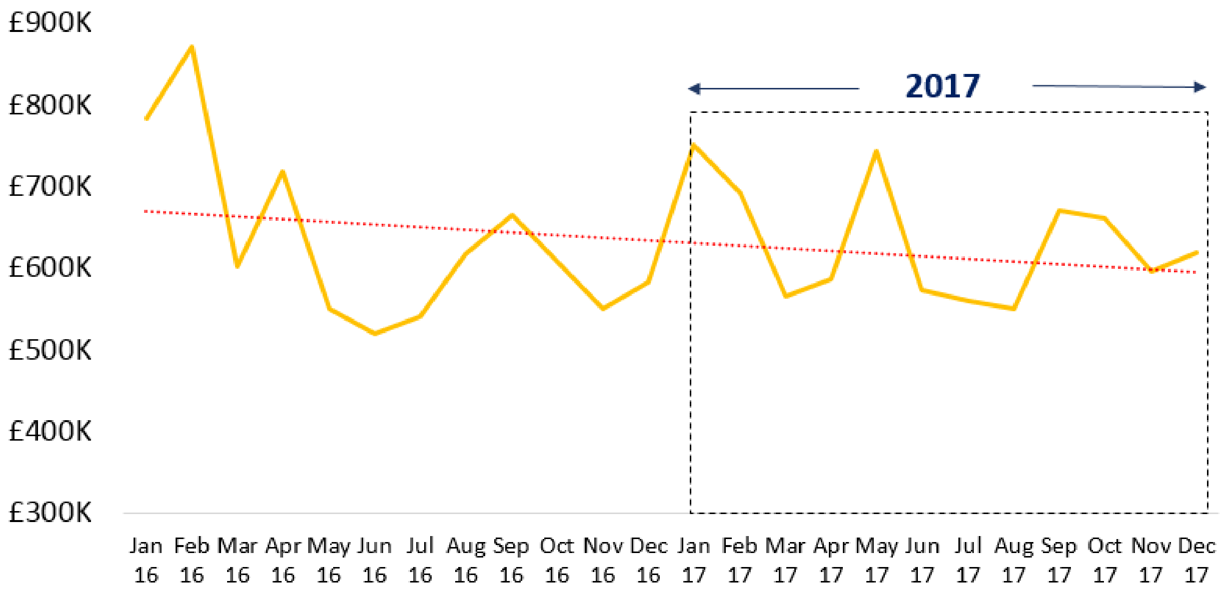
3.23 In addition to the pay award and CBP/pay progression, the additional increase in to basic salary costs observed in 2017 can be attributed to our rising FTE; where an overall increased FTE of 414 with an average salary cost of £20K yields a total approx. cost of £8M). The total extra cost of this FTE has been offset by the savings made from new starts/leavers (£2.1M).

3.24 Appendix 2 highlights the difference in basic salary cost trend between June and Dec 2017 across our Directorates. Basic salary cost trends are generally in line with the FTE changes observed in directorates over the same period – cost increases took place in Communities and Families, Place, and Safer and Stronger Communities. The slight cost increase in Resources, despite headcount reduction, is due to a small number of grade changes, a limited number of additional senior roles (G8-10) and the appointment of the Executive Director post, as this was previously covered through acting up arrangements without backfill.

Workforce Overtime Costs

3.25 Our total overtime expenditure in 2017 was £7.57M compared with £7.61M in 2016, a reduction of approx. £40K. Figure 7 shows the slight downward trend in overtime costs between Jan 2016 and Dec 2017.

Figure 7: Organisation Overtime Cost, January 2016 – December 2018

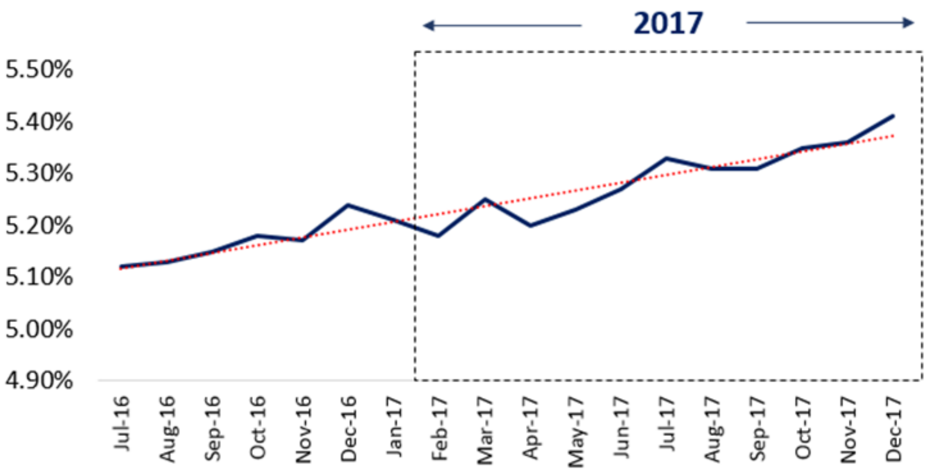


Workforce Absence

3.26 Our 12-month rolling absence rate steadily increased from 5.21% in Jan 2017 to 5.41% in December 2017. At December 2017 our total absence rate was 5.41%, with a short-term rate of 1.74% and a long-term rate of 3.67%.

3.27 The organisation absence trend is shown in Figure 8 for the period July 2016 to December 2017. The graph provides data from July 2016 and shows the upward trend has continued over the 18-month period. Over the 12 months January to December 2017, the Council lost 172,000 days to sickness absence – 32.1% of the days were lost to short term absence and 67.9% were lost to long term absence. The estimated cost to the organisation of all absence in 2017 was in the region of £23M.

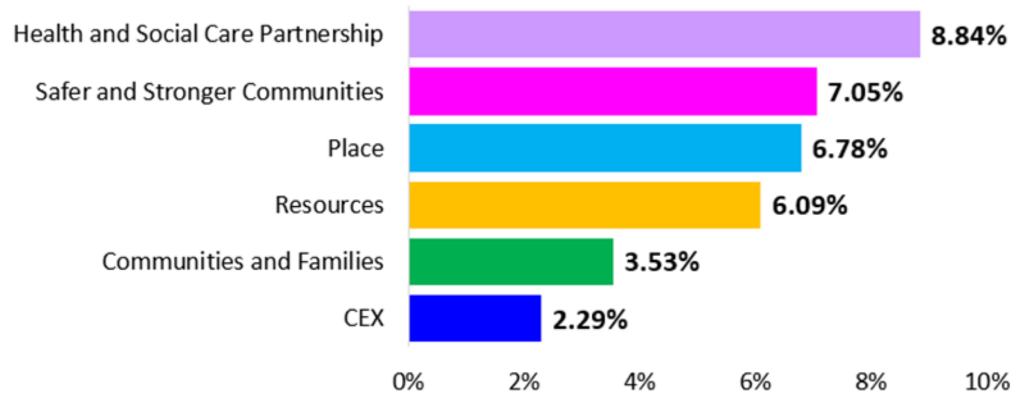
Figure 8: Organisation Absence Trend (July 2016 – December 2017) 12 month rolling



Period	Rate
Jan 17	5.21%
Feb 17	5.18%
Mar 17	5.25%
Apr 17	5.20%
May 17	5.23%
Jun-17	5.27%
Jul-17	5.33%
Aug-17	5.31%
Sep-17	5.31%
Oct-17	5.34%
Nov-17	5.37%
Dec-17	5.41%

3.28 Detail on the rolling absence rate by directorate is shown in Figure 9, with the highest absence figures showing in Edinburgh Health and Social Care Partnership.

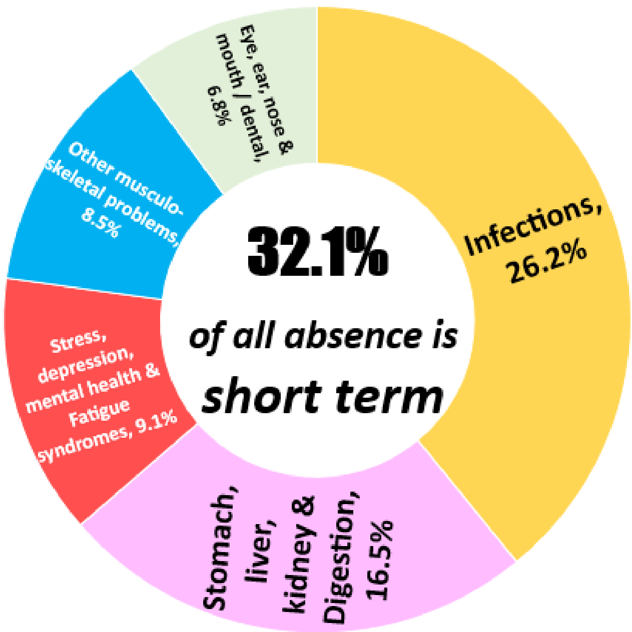
Figure 9: Rolling Absence Rates by Directorate, January – December 2017



3.29 Absence trends by Directorate are available for the period June – December 2017, and are captured in Appendix 2. The trend analysis shows upward absence trends in all directorates, except Place which has experienced a reduction in absence, understood to be linked to targeted absence management across hotspot services during 2017.

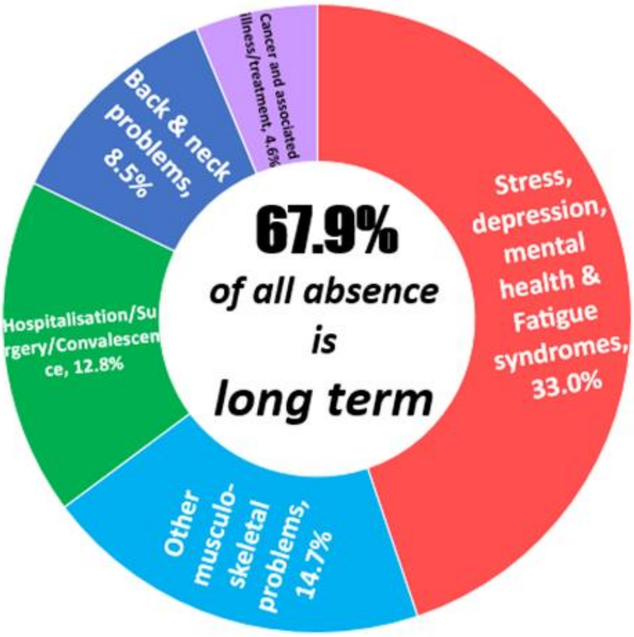
3.30 Figure 10 and Figure 11 report on the top 5 reasons for both short and long-term absence at the organisation level from January to December 2017.

Figure 10: Top 5 Reasons for Short Term Absence



Infections were the top reason for short term absences (26.2%); followed by stomach, liver, kidney, and digestion issues (16.5%); stress, depression, mental health, fatigue, and associated conditions (9.1%); musculoskeletal problems (8.5%); and then eye/ear/nose/mouth and dental issues (6.8%).

Figure 11: Top 5 Reasons for Long Term Absence

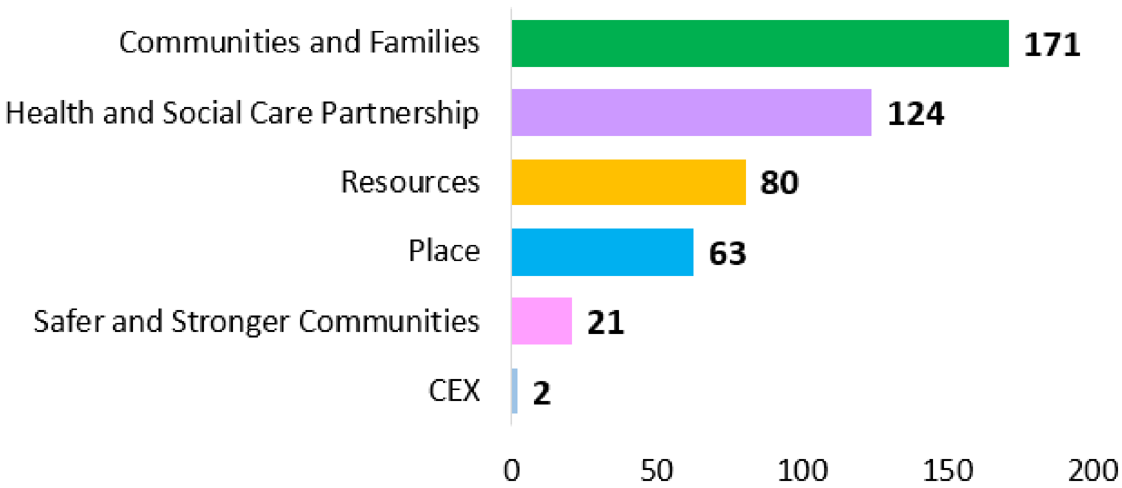


Stress, depression, mental health, fatigue, and associated conditions account were the top reason for long term absence (33% of all long-term absence); followed by musculo-skeletal problems (14.7%); hospitalisation/convalescence (12.8%; back and neck problems (8.5%); and cancer/associated illness and treatment (4.6%).

3.31 At December 2017 there were 556 open ended long-term absences (equivalent FTE of 461) with the majority of cases ongoing for less than 3 months. Of the longer-term cases, 46 employees had been absent for longer than 12 months at December2017 with the most frequent cause being stress, depression, mental health, fatigue, and associated conditions - a third of all cases falling into this category.

3.32 Long term absence rates during 2017 showed a correlation with use of agency, and fixed term contracts during the same period. Figure 12 shows a snapshot the FTE lost across directorates to open ended long-term absence cases at December 2017.

Fig 12: FTE Lost to Open Ended Long-Term Absence Cases, by Directorate, December 2017



3.33 Best practice from Place has been shared across all Directorates. Regular absence dashboards and detailed data reporting have been provided at Directorate level to enable senior managers to identify hotspots and trends and to begin to measure the effectiveness of interventions. Support and Challenge Panels, line management training and consistent application of absence management processes across all directorates were rigorously followed during 2017. The first quarter of 2018 has seen some reduction in total open ended long-term absence cases. However, it is expected to take some time before the impact of interventive actions sees a reduction in the overall absence rolling rates.

Agency Costs

3.34 Figure 13 shows monthly agency billing in 2017 for the primary supplier (Pertemps since June 2017), our other contracted suppliers, and off-contract suppliers for agency staffing. Due to the nature of the billing process for agency staffing, we see some significant month on month fluctuations in the cost data, however the trend analysis (Figure 14) shows that between April 2016 and December 2017 the organisation has experienced a slight downward trend in agency spend.

3.35 Our total agency spend for the year was £18.8M, with an average monthly cost of approx. £1.6M. The primary and other contracted suppliers (£17.5M) accounted for 93% of all agency spend, with 7% (£1. 3M) of the total spend attributable to off-contract suppliers.

3.36 Development of a workforce resourcing dashboard is in progress to provide further insight into agency resource utilisation.

Figure 13: Organisation Agency Costs, January – December 2017

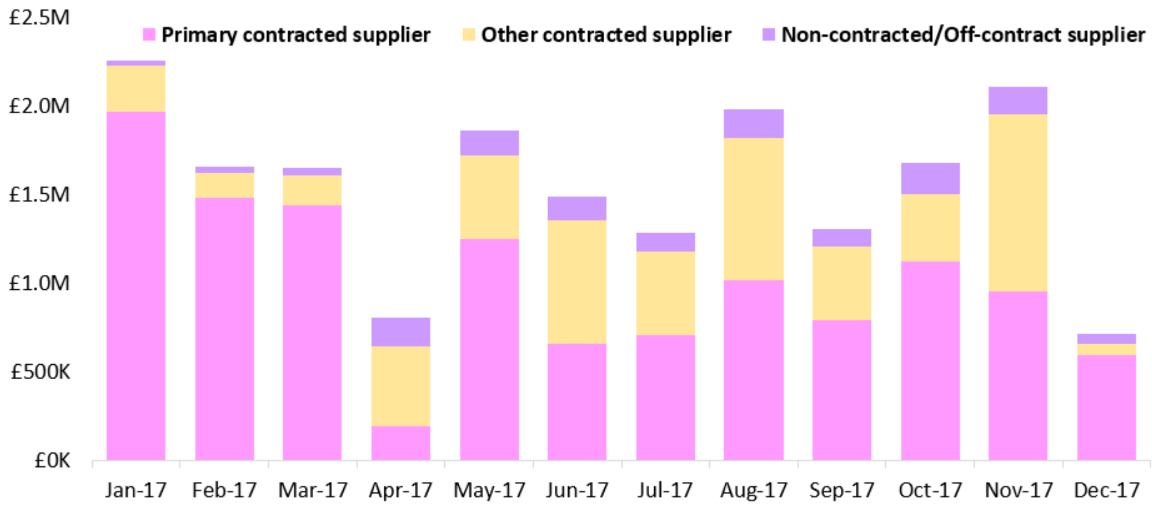
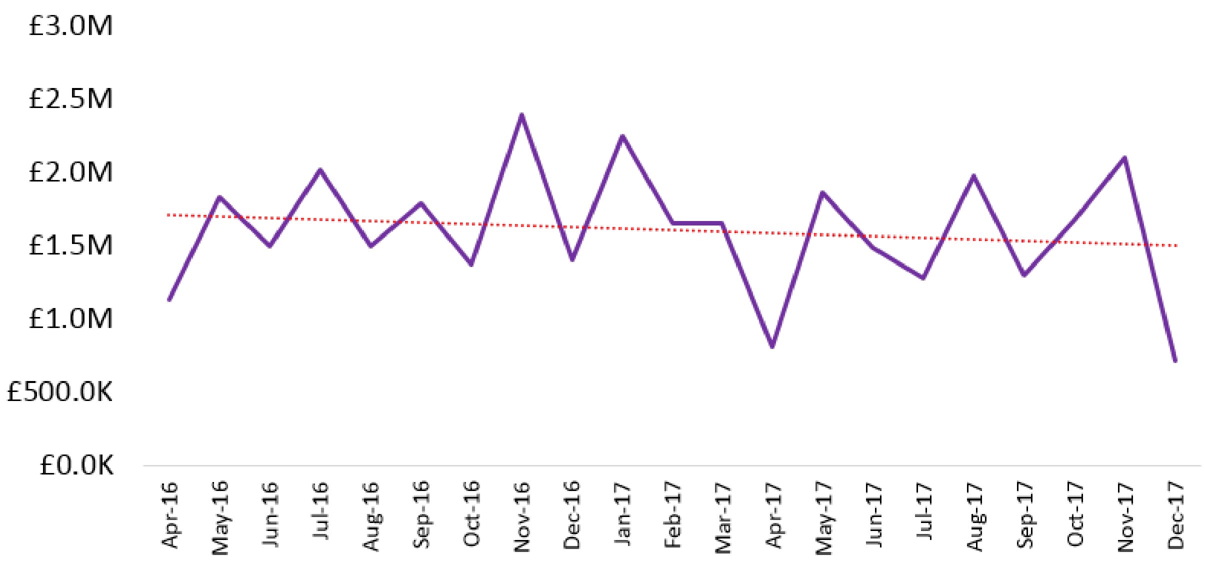


Figure 14: Organisation Agency Cost Trend, April 2016 – December 2017



4. Measures of success

4.1 Organisational workforce controls are aligned to the aims of our People Strategy, where our workforce reflects the city in which we operate, our organisation is the right size and shape to deal with challenges and deliver the change and services needed to deliver our strategic aims and outcomes. A Diversity and Inclusion dashboard is being developed which will be available shortly and will include comparative data on our workforce profile with our Edinburgh Community.

5. Financial impact

5.1 In the 2017 period the basic salary bill increased by £18.8M due to the increased size of the workforce, the annual pay award and pay steps. The total working days lost to sickness absence had an estimated financial impact of approx. £23M over the 12 months to December 2017. It should however be noted that the majority of these costs are opportunity costs relating to lost productive working time, because broadly similar salary costs would have been incurred had individuals been in work.

6. Risk, policy, compliance, and governance impact

6.1 Effective workforce management and reporting arrangements are essential to ensure that the Council can manage and control workforce costs, strategically plan for future change and measure performance.

7. Equalities impact

7.1 There are no significant equalities impacts arising from this report, although the Committee is advised that a Diversity and Inclusion workforce dashboard is currently under development which will complement existing reporting further.

8. Sustainability impact

8.1 There is no sustainability impact from this report.

9. Consultation and engagement

9.1 Consultation and engagement with key stakeholders, including leadership teams, Trades Unions and elected members is ongoing.

10. Background reading/external references

10.1 Annual Workforce Controls Report – report to Finance and Resources Committee 23 February 2017.

Stephen S. Moir

Executive Director of Resources

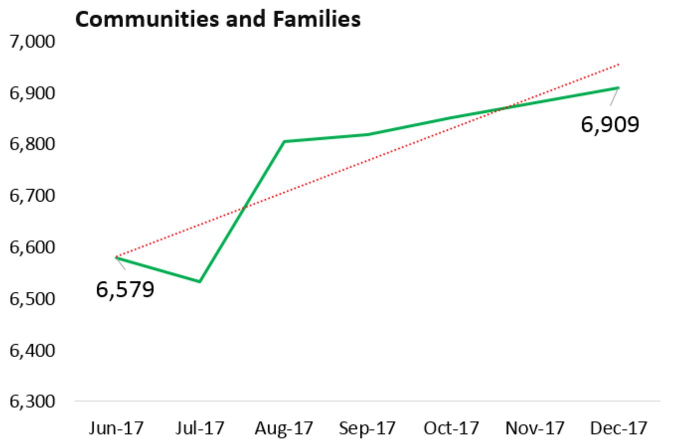
Contact: Katy Miller, Head of Human Resources

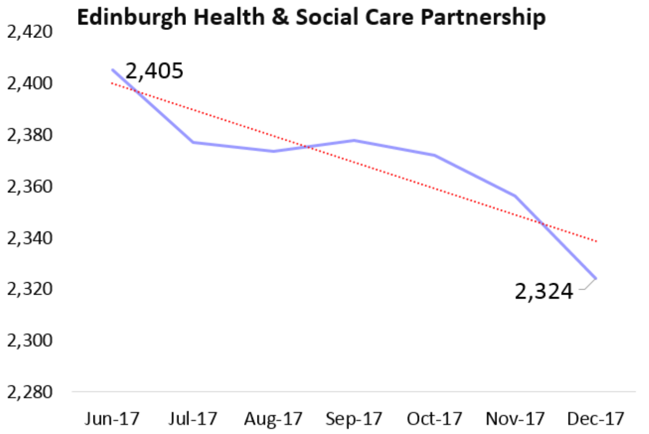
E-mail: katy.miller@edinburgh.gov.uk | Tel: 0131 469 5522

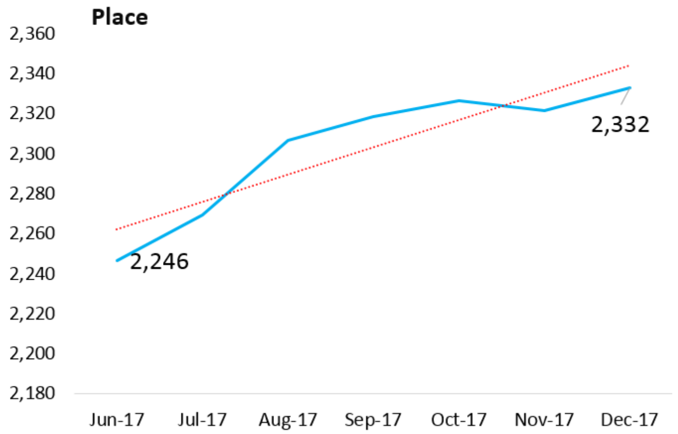
11. Appendices

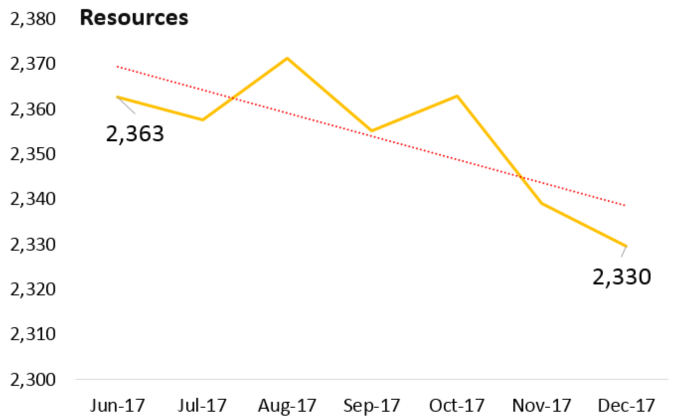
Appendix 1	Directorate FTE Trends, January – December 2017
Appendix 2	Directorate Basic Salary Cost Trend, January – December 2017
Appendix 3	Annual Workforce Controls

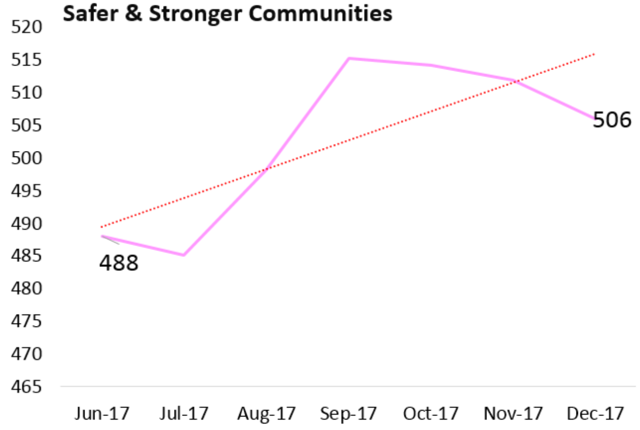
APPENDIX 1: Directorate FTE Trends, January – December 2017

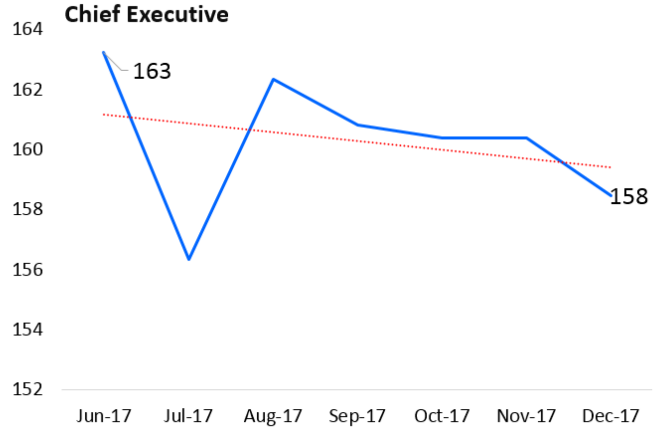












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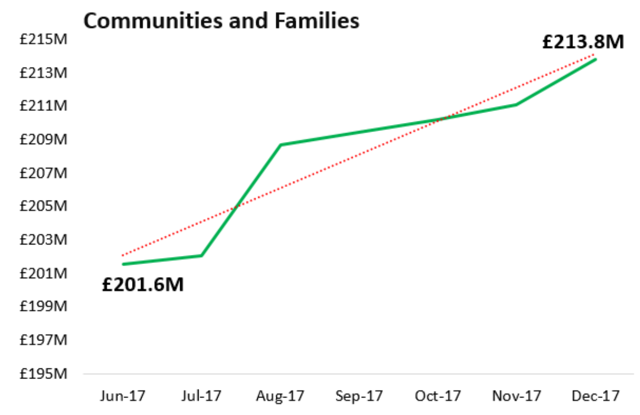
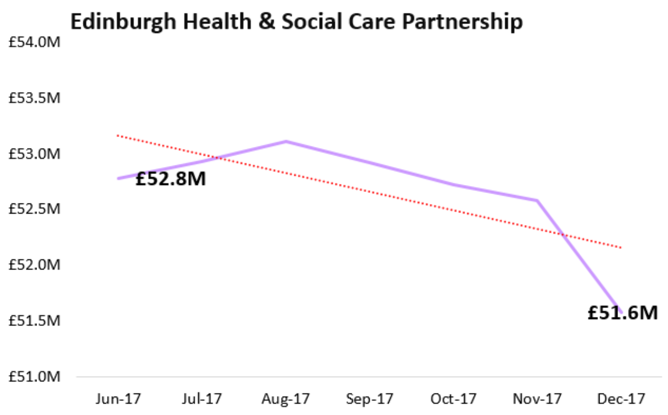
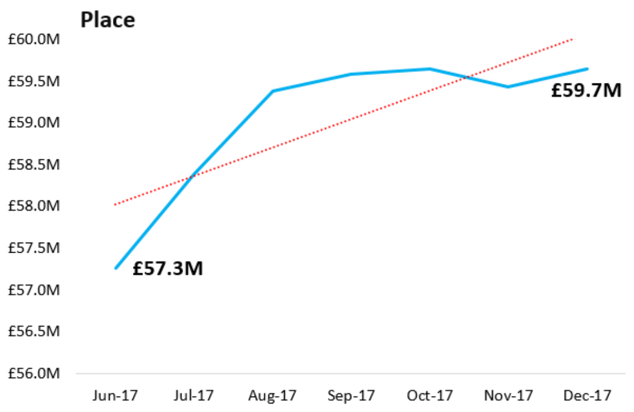
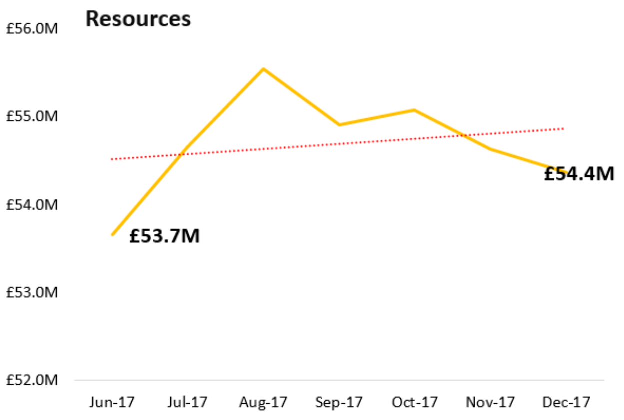
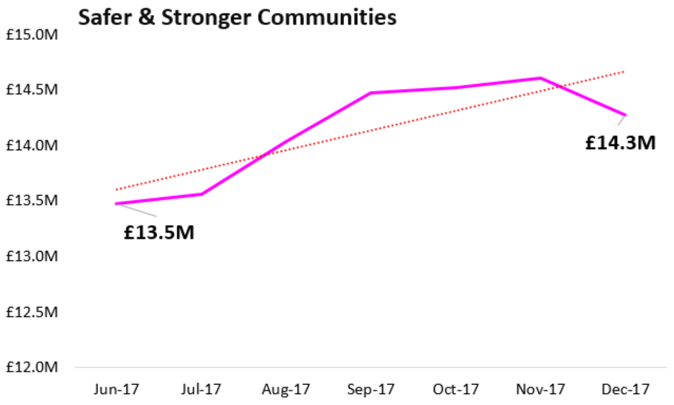
APPENDIX 2: Directorate Basic Salary Cost Trend, January – December 2017

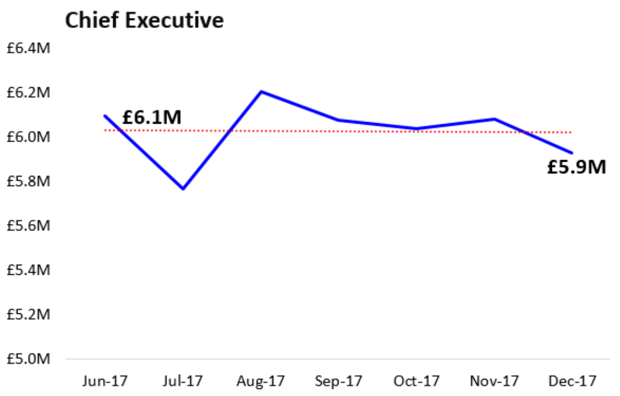




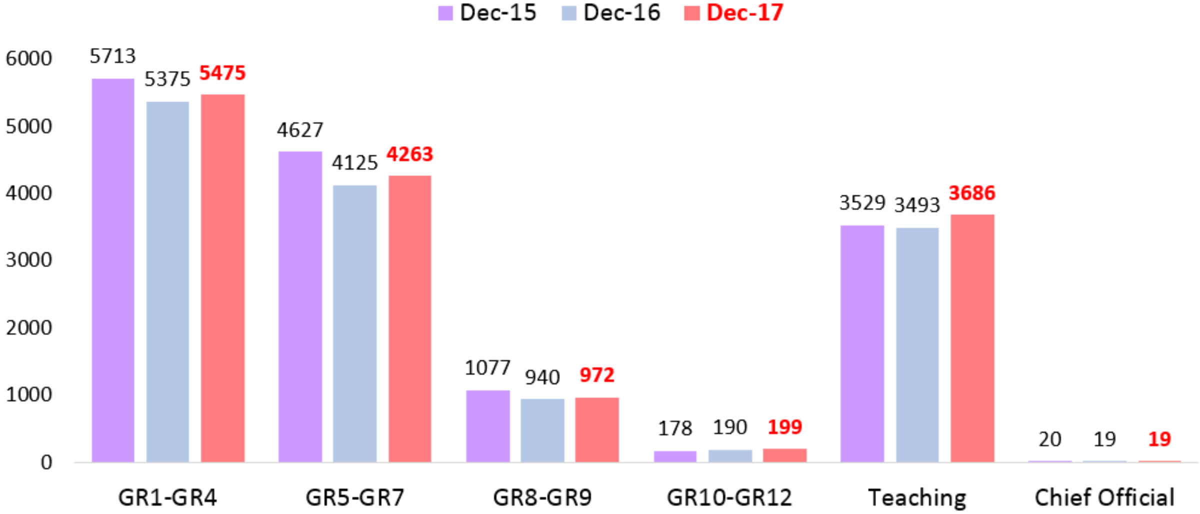








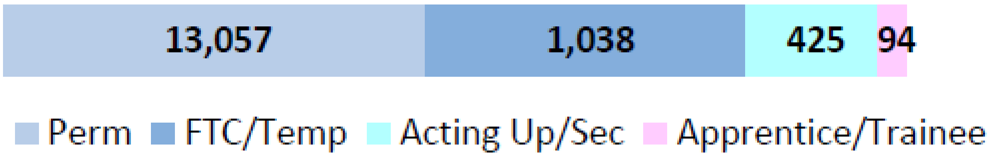
Workforce FTE by Grade (December 2015, 2016 and 2017)



Workforce FTE Variation by Grade (Dec 16 and Dec 17)

	Dec-16	Dec-17	Variation
GR1-GR4	5375	5475	+ 1.86%
GR5-GR7	4125	4263	+ 3.34%
GR8-GR9	940	972	+ 3.43%
GR10-GR12	190	199	+ 4.57%
Teaching	3493	3686	+ 5.53%
Chief Official	19	19	0.00%

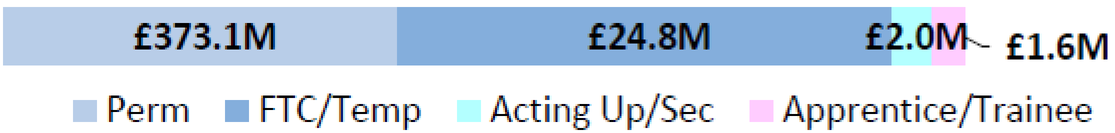
Workforce FTE by Contract Type – December 2017



Projected Annual Basic Salary Cost by Directorate at December 2017

	Cost by Contract Type				
Directorate	**Perm**	**FTC/ Temp**	**Acting Up/ Secondment**	**Apprentice/ Trainee**	**Total Cost**
Communities and Families	£191.3M	£20.8M	£1.3M	£349K	£213.8M
Health and Social Care Partnership	£51.0M	£345K	£270K	£0K	£51.6M
Place	£58.4M	£667K	£20K	£572K	£59.7M
Resources	£51.6M	£2.0M	£209K	£596K	£54.4M
Safer and Stronger Communities	£13.6M	£602K	£102K	£0K	£14.3M
Chief Executive	£5.5M	£316K	£61K	£68K	£5.9M
Surplus/Redeployment Group	£1.8M	£47K	£17K	£0K	£1.8M
Grand Total	**£373.1M**	**£24.8M**	**£2.0M**	**£1.6M**	**£401.5M**

Projected Annual Basic Salary Cost by Contract Type at December 2017



Finance and Resources Committee

10.00am, Tuesday 12 June 2018

Accounts Commission – Local Government in Scotland – Challenges and Performance 2018 - referral from the Governance, Risk and Best Value Committee

Item number	7.11
Report number	
Wards	All

Executive summary

The Governance, Risk and Best Value Committee on 5 June 2018 considered a report detailing the Accounts Commission's complementary, forward-looking report assessing councils' readiness to confront the growing challenges that lay ahead following its earlier Scotland-wide review of 2016/17 local government financial performance.

The report has been referred to the Finance and Resources Committee for its consideration.

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Terms of Referral

Accounts Commission – Local Government in Scotland – Challenges and Performance 2018

Terms of referral

1.1 On 5 June 2018 the Governance, Risk and Best Value Committee considered a report detailing the Accounts Commission's complementary, forward-looking report assessing councils' readiness to confront the growing challenges that lay ahead following its Scotland-wide review of 2016/17 local government financial performance.

1.2 The report by the Executive Director of Resources indicated that the report re-emphasised a number of previous messages of relevance to all councils in Scotland, including the need for robust financial and service planning, appropriately resourced transformational change programmes and close working with elected members and communities in prioritising services to deliver key outcomes and secure financial sustainability.

1.3 The Governance, Risk and Best Value Committee agreed:

1.3.1 To note the report by the Executive Director of Resources.

1.3.2 To refer the report to all Executive Committees for consideration, with particular emphasis on the issues raised in Paragraphs 3.4 and 3.6.3 of the report.

For Decision/Action

2.1 The Finance and Resources Committee is asked to consider the attached Challenges and Performance 2018 report.

Background reading / external references

Webcast of Governance, Risk and Best Value Committee – 5 June 2018

Laurence Rockey
Head of Strategy and Insight

Contact: Louise Williamson, Assistant Committee Officer

Email: louise.p.williamson@edinburgh.gov.uk | Tel: 0131 529 4264

Links

Appendices	Appendix 1 – Accounts Commission: Local Government in Scotland – Challenges and Performance 2018

Governance, Risk and Best Value Committee

10.00am, Tuesday, 5 June 2018

Accounts Commission: Local Government in Scotland – Challenges and Performance 2018

Item number	7.4
Report number	
Executive/routine	Routine
Wards	n/a
Council Commitments	n/a

Executive summary

Following the publication in November 2017 of its Scotland-wide review of 2016/17 local government financial performance, the Accounts Commission has now issued a complementary, forward-looking report assessing councils' readiness to confront the growing challenges that lie ahead. The report re-emphasises a number of previous messages of relevance to all councils in Scotland, including the need for robust financial and service planning, appropriately-resourced transformational change programmes and close working with elected members and communities in prioritising services to deliver key outcomes and secure financial sustainability.

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Report

Accounts Commission: Local Government in Scotland – Challenges and Performance 2018

1. Recommendations

1.1 Members of the Governance, Risk and Best Value Committee are asked to:

1.1.1 note the contents of the report; and

1.1.2 refer the report to the Finance and Resources Committee for its consideration.

2. Background

2.1 At the meeting of the Governance, Risk and Best Value Committee on 16 January 2018, members considered the key findings of the Accounts Commission's Financial Overview 2016/17 report. The report concluded that in light of increasing demand and reducing funding, the financial challenges facing all councils had continued to grow, with savings correspondingly more difficult to identify and greater use made of reserves, in some cases to support routine service delivery.

2.2 Given an accompanying increase in debt levels in some authorities, robust medium-term planning, transparent reporting and effective leadership were identified as being key to securing on-going financial sustainability. In confronting the challenges of necessary service redesign and prioritisation, close working amongst officers, councillors, stakeholders and partners will be vital.

2.3 As in 2016/17, the financial overview report has been supplemented by a follow-up *Challenges and Performance* report, released on 5 April 2018, providing a high-level, independent view of the challenges facing councils, assessing how well they are addressing these and what more they can do going forward. The recommendations of the report intentionally complement those set out in the earlier Financial Overview.

2.4 The *Challenges and Performance* report's findings are aimed primarily at councillors and senior officers, supporting them in their increasingly complex and demanding roles. As with previous similar reports, a self-assessment checklist (with the corresponding questions included at relevant points within the report) is provided to assist councillors in understanding their own council's position and scrutinising its performance, thereby informing the difficult decisions that undoubtedly lie ahead. An interactive online tool, facilitating inter-authority comparison of councils' performance, has also been developed.

2.5 As with similar previous publications, in view of its Scotland-wide coverage, the report's contents are correspondingly general, although the underlying issues presented resonate with those faced within Edinburgh. Other reports focusing specifically on the Council's activities are, however, regularly considered by the Finance and Resources and Governance, Risk and Best Value Committees. Of particular relevance is the Council's own Annual Audit Report, considered by the Governance, Risk and Best Value Committee on 26 September 2017.

3. Main report

Overview of report and key messages

3.1 The Accounts Commission report comprises three distinct sections. The first (on pages 10 to 20) provides a succinct, high-level overview of the challenges facing all councils, with a useful summary of the key UK and Scottish policy drivers included on pages 11 to 13. This overview also incorporates commentary and analysis of the differing impacts of demographic change on key demand-led services across Scotland's councils, all set against a backdrop of on-going reductions in real-terms funding levels and significant legislative reform.

3.2 Exhibit 4 on page 19 confirms Edinburgh's estimated overall population growth as the second-highest in Scotland in proportionate terms between 2014 and 2039, increasing by 21% over this period. Within this overall increase, growth is particularly pronounced amongst those of pensionable age or above, amounting to almost 70%. Expected growth in those aged 0 to 5 is also amongst the highest in Scotland.

3.3 The report highlights the resulting increase in the proportion of councils' budgets allocated to education and, in particular, health and social care, with a consequent impact on "non-protected" services outside these areas such as cultural services, regulatory functions and corporate services. This emphasises not only the importance of effective service prioritisation but the need to consider different and innovative ways of managing demand within these core areas. Against a backdrop of reducing resources, protection needs to be relative rather than absolute, with all functional areas requiring to contribute in meeting overall savings targets.

3.4 The second and third sections of the report then proceed to examine how councils have responded to these challenges, emphasising that further incremental changes will not be sufficient to deliver the required level of savings and sustain performance improvement. The report therefore reiterates the importance of longer-term financial planning, aligned with comprehensive workforce planning approaches, improved productivity and the importance of digital solutions to deliver savings and make services more efficient, as well as the need for effective political and managerial leadership in considering all options for service delivery and transformation, underpinned by robust option appraisal.

Relevance to Edinburgh

3.5 As noted above, given the report's Scotland-wide coverage, there are few Edinburgh-specific references. The report also provides considerable contextual information, intentionally complementing and reinforcing recommendations included in the earlier *Financial Overview* report.

3.6 On this basis, rather than commenting in detail on specific report references, members' attention is drawn to a number of the points made with regard to the earlier report as follows:

3.6.1 the Council was one of the first in Scotland to introduce a long-term financial plan, doing so in 2009. The plan captures movements in key expenditure (and income) factors influencing the Council's activities. The content of the plan is reviewed on a regular basis, with the outcome of the most recent review to be reported to the Finance and Resources Committee on 12 June 2018;

3.6.2 the Council adopted a corporate charging policy framework in June 2014, with increases in most discretionary fees and charges linked to wider changes in inflation rates to supplement the level of investment in key services;

3.6.3 in line with the position for Scotland as a whole, the Council has afforded relative protection to education and social work services in recent years' budgets. As is set out in the report, however, given that expenditure in these areas accounts for over two-thirds of the Council's budget and is increasing with each year of relative protection, all areas need to contribute to addressing savings requirements going forward if financial sustainability is to be secured;

3.6.4 the Council was one of a minority in Scotland that increased their levels of reserves in 2016/17 against the backdrop of an overall Scotland-wide reduction of £32m. The Council's 2016/17 external audit concluded that an effective approach to the management of reserves was in place, with the combination of unallocated and earmarked reserves appropriate to the risks it faces and the annual Risks and Reserves report considered by the Finance and Resources Committee identified as an example of good practice. In this vein, the Council has applied earmarked reserves in 2017/18 in meeting, for example, building dilapidation liabilities and obligations associated with its waste disposal contract;

3.6.5 the Scotland-wide demand-driven nature of a number of service overspends in 2016/17 mirrors the experience in Edinburgh, with the 2018/19 budget framework subsequently providing additional investment in the areas of Health and Social Care and Safer and Stronger Communities. This additional investment is, however, only affordable through the identification of corresponding savings elsewhere within the budget, with a consequent need for much more fundamental consideration of what the Council does and how it does it;

3.6.6 enhanced senior officer and elected member scrutiny at the inception, development and implementation stages have seen significant improvements in the proportion of savings subsequently delivered in recent years, with nearly 90% by value delivered in both 2015/16 and 2016/17;

3.6.7 no use of general (unallocated) reserves was assumed in approving either the 2017/18 or 2018/19 budget. In view of external audit recommendations around enhancing in-year transparency of the use of earmarked reserves, however, a review of practice elsewhere is being undertaken and will be incorporated in subsequent Council-wide revenue monitoring reports;

4. Measures of success

4.1 The report reiterates a number of principles of sound financial management and assesses councils' current practices against these. The Council's own arrangements were assessed to be effective as part of the 2016/17 Annual Audit process, with expenditure contained within budget for the tenth successive year and almost 90% of approved savings delivered.

4.2 In the more immediate context of the 2018/19 financial year, the key targets are achieving a balanced overall budget outturn position and successful delivery of approved savings and key service performance indicators.

5. Financial impact

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

6. Risk, policy, compliance and governance impact

6.1 An annual report on the risks inherent in the budget process is considered by the Finance and Resources Committee, usually in January, and referred to Council as part of setting the revenue and capital budgets.

6.2 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the expected service impacts outlined in the respective budget templates. Subsequent delivery is reported to the Finance and Resources Committee on a quarterly basis.

6.3 Wider progress in the delivery of targeted outcomes is assessed as part of annual performance updates, the most recent of which was reported to Council in November 2017. Going forward, Executive Committees will consider an overview of performance relevant to their area, scrutinising indicators, improvement actions, issues and opportunities, on an annual basis.

6.4 The performance framework will be reviewed annually and will include refreshing the measures, actions, milestones and targets to ensure that the data collected is useful in terms of being able to measure performance and delivery against strategic aims, outcomes and commitments. This annual cycle will ensure that the framework provides timely information needed to lead and scrutinise performance but with enough flexibility to be able to change and adapt as necessary.

6.5 The effectiveness of the Council's wider governance framework is similarly assessed on an annual basis, with the most recent such review reported to the Governance, Risk and Best Value Committee on 28 November 2017.

7. Equalities impact

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

8. Sustainability impact

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

9. Consultation and engagement

9.1 As in previous years, the Council's budget framework for 2018/23 was the subject of a number of weeks' engagement, with the key findings reported to the Finance and Resources Committee on 8 February 2018.

Stephen S. Moir

Executive Director of Resources

Andrew Kerr

Chief Executive

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10. Background reading/external references

City of Edinburgh Council 2016/17 Annual Audit Report to the Council and Controller of Audit, Governance, Risk and Best Value Committee, 26 September 2017

Implementing the Programme for the Capital – Council Performance Framework 2017/22, City of Edinburgh Council, 23 November 2017

Corporate Governance Framework 2016/17, Governance, Risk and Best Value Committee, 28 November 2017

Accounts Commission – Local Government in Scotland – Financial Overview, Governance, Risk and Best Value Committee, 16 January 2018

11. Appendices

One – Accounts Commission – Local Government in Scotland – Performance and Challenges 2018

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Procurement Governance and Contract in respect of Integrated Pensions Administration & Payroll Software (Ref: CT0400) – referral from the Pensions Committee

Item number	7.12
Report number	
Executive/routine	
Wards	All
Council Commitments	

Executive summary

On 26 March 2018 the Pensions Committee considered a report on the governance and procurement of service providers for the three pension funds. The report also advised of the approval of the award of contract for the delivery of the 'Integrated Pension Administration and Payroll Software System', which was done in accordance with the Council's urgency provisions. The report is referred to the Finance and Resources Committee for information.

Terms of Referral

Procurement Governance and Contract in respect of Integrated Pensions & Payroll Software System (Ref: CT0400)

Terms of referral

1.1 In order to administer the Local Government Pension Scheme (LGPS) in Scotland, Lothian Pension Fund (LPF) required a stand-alone Information Technology (IT) software system for purposes of administering its pension and payroll business. The system would provide benefit entitlement calculations and payments in compliance with relevant LGPS.

1.2 The Pensions Committee agreed:

1.2.1 To note that a proposal would be made to the City of Edinburgh Council that minor clarifications were carried out to governance documentation to ensure that all pension matters (including contracts) would be exclusively in the remit of the Pensions Committee.

1.2.2 To note the decision of the Executive Director of Resources, in consultation with the Convener of the Finance and Resources Committee and in accordance with Council's urgency provisions, to the award of contract to Aquila Group Holdings Limited ("Aquila Heywood") subject to agreement regarding mutually acceptable Terms and Conditions, for the provision of the Integrated Pensions Administration and Payroll Software System.

1.2.3 To note that the proposed contract was for an initial 10 year period commencing in March 2018 with an option to extend for up to 2 further periods of 2 years each.

1.2.4 To refer the report to the Finance and Resources Committee for information.

For Decision/Action

2.1 The Finance and Resources Committee is asked to note the award of the contract under urgency provisions.

Background reading / external references

Pensions Committee, 26 March 2018.

Laurence Rockey

Head of Strategy and Insight

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Appendices

Appendix 1 – report by the Executive Director of Resources

Pensions Committee Report

2.00pm, Monday, 26 March 2018

Procurement Governance and Contract in respect of Integrated Pensions Administration & Payroll Software System (Ref: CT0400)

Item number	5.14
Report number	
Executive/routine	
Wards	All
Council Commitments	Delivering a Council that works for all

Executive Summary

This report considers the governance of the procurement of service providers for the three pension funds.

It also advises of the approval of the award of contract for the delivery of the 'Integrated Pension Administration and Payroll Software System' (ref: CT0400). This has been actioned, in accordance with the Council's urgency provisions, by the Executive Director of Resources, in consultation with the Convenor of Pensions Committee and Finance and Resources Committee.

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Pensions Committee Report

Procurement Governance and Contract in respect of Integrated Pensions Administration & Payroll Software System (Ref: CT0400)

1. Recommendations

Committee is requested to:

1.1 Note that a proposal will be made to the City of Edinburgh Council that minor clarifications to governance documentation to ensure that all pension matters (including contracts) shall be exclusively in the remit of the Pensions Committee;

1.2 Note the decision of the Executive Director of Resources, in consultation with the Convenor of Pensions Committee and Finance and Resources Committee and in accordance with Council's urgency provisions, to the award of contract to Aquila Group Holdings Limited ("Aquila Heywood"), subject to agreement regarding mutually acceptable Terms and Conditions, for the provision of the Integrated Pensions Administration and Payroll Software System;

1.3 Note that the proposed contract is for an initial 10 years period commencing in March 2018 with an option to extend for up to 2 further periods of 2 years each; and

1.4 Refer this report to the Finance and Resources Committee.

2. Background

2.1 In order to administer the Local Government Pension Scheme (LGPS) in Scotland, Lothian Pension Fund (LPF) requires a stand-alone Information Technology (IT) software system for the purposes of administering its pension and payroll business. The system will provide benefit entitlement calculations and payments in compliance with relevant LGPS Regulations.

2.2 This is an ongoing legislative requirement of City of Edinburgh Council as an administering authority of the LGPS.

2.3 The proposed procurement would replace a total of three existing contracts:

2.3.1 Pension administration software, including integrated pensioner payroll (Software Licence Agreements CL/433);

2.3.2 Member Self Service (Web-Based) for Pension Administration System (Contract Ref: 3825/PB);

2.3.3 Employer (On-line) Portal for Pension Administration System (Contract Ref: 3715/PB);

thereby providing a more efficient, fully integrated solution.

2.4 The incumbent supplier for the core software is Aquila Heywood and it has responsibility for delivering the first two of these contracts. This procurement exercise offered an ideal opportunity to combine all three services for delivery of a more integrated, efficient and cost-effective service.

2.5 LGPS administering authorities in Scotland were consulted at the procurement planning stage to gauge their interest, on a purely non-committal basis, in potentially utilising the proposed service at some point in the future. A total of seven such authorities expressed interest and these were each named in the published Invitation to Tender (ITT) documents. Should any of these chose to do so, they will be responsible for entering into their own contractual arrangement with Aquila Heywood at that time.

3. Main report

Committee Approval of Provider Appointments

3.1 The Terms of Reference (ToR) for the Pensions Committee are sufficiently broad to capture all business relating to the pensions funds. However, they do not expressly refer or cross-refer to all aspects dealt with elsewhere in the document (including contracts). While there is express carve out from the ToR of the Council's Finance and Resources Committee for matters delegated to another Committee, customary practice has been for contract approval to be sought from the Finance and Resources Committee.

3.2 Further, the Scheme of Delegation read together with the current Contract Standing Orders (CSO) determines how officers are to proceed in carrying out contract and procurement processes. They include an express carve-out to allow for (rather than require) relevant pensions contracts to approved by the Pensions Committee.

3.3 Following discussion with Committee Services, it is proposed to make minor clarifications to the governance documentation to ensure all pension matters (including contracts) should be exclusively in the remit of the Pensions Committee. It is anticipated that this would be the expectation of the Pensions Committee and its other external and internal oversight bodies and regulators. The next review of the ToR is expected to be considered by Council in June 2018.

Integrated Pension Administration and Payroll Software System

3.4 This is a somewhat specialised requirement and supply market analysis confirms that there are relatively few potential suppliers in the UK market, which currently have the necessary technical depth of knowledge and experience of legislation affecting LGPS administration.

3.5 Following publication of a Prior Information Notice, a series of supplier engagement meetings were held with organisations which expressed interest. Information and feedback gleaned from these meetings helped inform the final Specification requirements which were subsequently developed. An open procurement competition was then undertaken to source an appropriate contractor.

3.6 In addition to the required OJEU notification, an Invitation to Tender was published on Public Contracts Scotland, giving potential bidders 30 days in which to prepare and submit their tender bids. In addition to submitting their formal written tender bid, all tenderers were required to deliver a presentation in order to demonstrate the functionality and effectiveness of their proposed software solution.

3.7 A total of four organisations submitted tender bids. Technical evaluation of the bids was conducted on the 'Most Economically Advantageous Tender' (MEAT) basis, using a quality / price ratio of 70:30. To further ensure the quality of the recommended tender bid, a pre-set quality threshold of 65% of the maximum available marks was enforced.

3.8 The following table gives a summary of the scores awarded to each of the bids received in respect of both Quality and Price:

Organisation	Weighted Quality Score (maximum 70)	Weighted Price Score (maximum 30)	Overall Total Tender Score (maximum 100)
Aquila Group Holdings Limited	65.662	30.000	95.662
Tenderer 2	68.522	26.861	95.383
Tenderer 3	47.968	12.163	60.131
Tenderer 4	44.164	*	**

* Note that Tenderer 4's response to the scored Quality questions failed to pass the pre-set quality threshold of 65% of the 'pre-weighted' marks available and so their tender pricing proposal was not scored.

3.9 A further summary of the tendering / tender evaluation processes is included in the Appendix.

4. Measures of success

4.1 Compliant and efficient procurement processes to achieve the necessary services for the pension fund and achieve best value.

4.2 Ultimately, the success of the contract delivery will be judged by the effectiveness and efficiency of the service provided. To facilitate the effective management of the service, a series of seven Key Performance Indicators (KPIs) have been included in the Specification Requirements and these will assist with the monitoring and measurement of performance on an on-going basis.

5. Financial impact

Procurement Governance

5.1 There are no direct financial implications as a result of this report. However, Committee should be aware that providers are able to challenge a procurement process which has not been undertaken appropriately and there are significant financial consequences of successful challenges.

Integrated Pension Administration and Payroll Software System

5.2 At the procurement planning stage, analysis of the current three contracts which have delivered the services over the past four full years (2012 – 2016) shows average spend during that period of £322,422 per annum.

5.3 The total bid price of £2,949,429.60 tendered by Aquila Heywood for the maximum 14 years period of the contract (including extensions) equates to an average of £210,654 per annum. This represents an average saving of £111,768 per annum (almost 34.7%) over the full fourteen years term. It should be noted that a greater proportion of these savings shall accrue in the later years of the contract.

5.4 Advice must be sought from Commercial and Procurement Services prior to committing the Council to any contract variation or extension, including any proposed price changes.

5.5 The costs associated with procuring this contract are estimated, by the Chief Procurement Officer, at between £20,001 and £35,000. This is in accordance with the application of cost bandings, as shown below:

	Estimated Staff Cost
ROUTE ONE Relatively low value, risk and a non- repetitive nature	Up to £10,000
ROUTE TWO Moderate value and risk	£10,001 - £20,000
ROUTE THREE High value/high risk/strategic procurements	£20,001 - £35,000

6. Risk, policy, compliance and governance impact

Procurement Governance

6.1 There are risks of providers challenging the award of a contract where a procurement process has not followed due process.

Integrated Pension Administration and Payroll Software System

6.2 The impact of potential "User Acceptance Testing" failure at implementation phase was considered at procurement planning stage. In order to offset the considerable additional expense which would be incurred should it prove necessary to extend the current contract arrangements in this circumstance, tenderers were required to include a Service Credit offer as part of their tender bid submissions. Service Credit offers were evaluated and scored as part of the overall evaluation process.

6.3 The tender bid received from Aquila Heywood included detailed information to suggest that they have the necessary technical ability, together with comprehensive proposals to ensure appropriate data security protocols and data sharing arrangements, good customer service, and management of the service delivery.

6.4 A validation of the financial standing ("Financial Probity Evaluation") of Aquila Heywood was conducted and confirmed that it comfortably meets the minimum criteria stipulated in the Invitation to Tender documents and is therefore considered to be financially sound.

7. Equalities impact

7.1 There are no direct equality and rights impacts arising from this report.

7.2 Aquila Heywood has given assurances that it does not intend to employ workers (including any agency or sub-contractor workers) on zero hours contracts. Additionally, it has given assurances that it intends to pay all workers the Living Wage.

8. Sustainability impact

8.1 There are no direct impacts on carbon, adaptation to climate change or sustainable development arising directly from this report.

9. Consultation and engagement

9.1 The Pension Board, comprising employer and member representatives, is integral to the governance of the Fund and they are invited to comment on the relevant matters at Committee meetings.

10. Background reading/external references

10.1 None.

Stephen S. Moir

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11. Appendices

Appendix 1 - Integrated Pension Administration and Payroll Software System – Summary of Tendering and Evaluation Processes

Integrated Pension Administration and Payroll Software System – Summary of Tendering and Evaluation Processes

<table>
<tr><th>Contract</th><th colspan="2">Integrated Pension Administration and Payroll Software System</th></tr>
<tr><td>Contract period (including any extensions)</td><td colspan="2">March 2018 to March 2032 (provisional) (including up to 2 extension periods of 2 years each – a total of up to 4 years).</td></tr>
<tr><td>Estimated contract value</td><td colspan="2">£2,947,429.60 (including possible extensions).</td></tr>
<tr><td>Procurement route chosen</td><td colspan="2">Open Tendering procedure</td></tr>
<tr><td>Tenders returned</td><td colspan="2">4</td></tr>
<tr><td>Recommended supplier</td><td colspan="2">Aquila Group Holdings Limited</td></tr>
<tr><td>Price / Quality Split</td><td colspan="2">Quality 70%, Price 30%.</td></tr>
<tr><td rowspan="7">Evaluation criteria and weightings and reasons for this approach</td><td>Criteria</td><td>Weighting</td></tr>
<tr><td>Technical Functionality</td><td>22.5%</td></tr>
<tr><td>Pension Administration Functionality</td><td>32.0%</td></tr>
<tr><td>Pension Payroll and Immediate / Irregular Payment Functionality</td><td>17.5%</td></tr>
<tr><td>Digital Services</td><td>18.0%</td></tr>
<tr><td>Development and Implementation Plans</td><td>10.0%</td></tr>
<tr><td colspan="2">The quality, accuracy and reliability of the service delivery was recognised as being more important than the cost because of the critical nature of the service itself.</td></tr>
<tr><td>Evaluation Team</td><td colspan="2">Three officers from Lothian Pension Fund, with advice and guidance from Chief Procurement Officer</td></tr>
</table>

Finance and Resources Committee

10.00am, Tuesday 12 June 2018

King's Theatre – request for additional capital funding by Capital Theatres

Item number	7.13
Report number	
Executive/routine	Executive
Wards	
Council Commitments	C46

Executive Summary

This report sets out a request for up to £5m additional capital funding, supported prudentially by Capital Theatres, towards redevelopment of the King's Theatre, subject to funding being raised to meet the remaining costs.

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Report

King's Theatre – request for additional funding by Capital Theatres

1. Recommendations

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

1.1.1 Consider the request in respect of additional funding for the King's Theatre from Capital Theatres and, subject to approval, refer this decision to Council for ratification for the prudentially supported funding, noting that this will only be released to Capital Theatres if sufficient funds are raised to meet the overall costs of the project.

2. Background

2.1 The King's Theatre is 110 years old and in proven need of major redevelopment to ensure it continues to operate and provide public access to a core city theatre programme and maintain the building's prime heritage. This includes essential physical access and fundamental improvement to both back and front of house and key technical improvements bringing the theatre into the 21st century and ensuring its future.

2.2 Capital Theatres aims to transform the historic building and programme a range of previously unavailable community and educational activities to ensure access to the widest possible audience and to guarantee the future social and cultural presence and heritage of the building. The project will also provide improved income opportunities for re-investment into the theatre programme of activities. The capital project budget is £25m, and Council has already approved a £4m contribution, which is included in the Capital Investment Programme.

2.3 Capital Theatres undertakes to maintain the venue following the works via its Theatre Development Fund (a small fee on every ticket sold is allocated to this fund for venue maintenance and investment).

2.4 The redevelopment would have a major economic impact. The capital project would inject £24m one-off economic impact into the Scottish economy and £11m into Edinburgh's economy, and after project completion, the King's Theatre would create £15.7m economic impact per year into the Edinburgh and a further £10m into the wider Scottish economy.

3. Main report

3.1 Redevelopment costs for the King's Theatre are estimated at £25m. Council has already approved £4m contribution towards the costs, subject to funds being raised to meet the remaining costs.

3.2 Capital Theatre's has approached the Council for further support of up to £5m, provided on a prudential basis, with the associated annual borrowing costs being met by Capital Theatres, through its Theatres Development Fund. Release of these funds, should this contribution be approved, would also be subject to funds being raised to meet the remaining costs.

3.3 The Theatres Development Fund is based on a levy included in ticket prices and is a designated reserve to be used towards the upkeep and improvement of the venues. The levy currently stands at £1.50 per ticket (£1.00 for children's shows, including the pantomime) and applies to most ticketed events. The estimated income in 2018/19 is £0.57m, reflecting the popularity of shows like War Horse and Les Misérables. Income will reduce during the period of closure, however, a significant increase in attendances is forecast post redevelopment of the King's.

3.4 Capital Theatres is planning a £5m contribution from its own reserves towards the project, and is also undertaking a range of fund raising measures. Securing up to £5m of prudential support would enable Capital Theatres to approach the National Heritage Lottery Fund for further support.

3.5 Capital Theatres appointed a Director of Development in January 2017 and has recruited a strong team to help raise the remaining funds required from a wide range of benefactors, including Trusts and individuals.

4. Measures of success

4.1 The King's Theatre is redeveloped in accordance with the approved plans

4.2 Capital Theatres contributes effectively to the delivery of the Council's Business Plan.

4.3 The Services and Funding Agreement ensures performance reporting requirements are monitored and met.

4.4 Success is also measured against the following objectives within the Culture Plan:

- ensure that everyone has access to world class cultural provision;
- encourage the highest standards of creativity and excellence in all aspects of cultural activity;
- support greater partnership working in the cultural and creative sectors and maximise resources available to help them thrive all year round; and
- articulate the positive impact of culture in Edinburgh and promote Edinburgh's cultural success locally, nationally and internationally.

5. Financial impact

5.1 Capital Theatres has requested an additional funding of up to £5m towards the costs of the redevelopment of the King's Theatre. The maximum overall loan charges associated with this borrowing over a 20-year period would be a principal amount of £5m, interest of £1.830m, resulting in a total cost of £6.830m based on the current PWLB rate for a 20-year loan of 3%. The loan will be repayable over a 20-year period at an annual cost of £341,488. These costs can be met from the annual income received by the Theatres Development Fund.

6. Risk, policy, compliance and governance impact

6.1 Release of any approved additional contribution is dependent on sufficient funds being raised to meet the remaining costs of the redevelopment programme.

6.2 The nature of this capital project means that there is an inherent risk of delays of unforeseen circumstances outwith the control of Capital Theatres.

6.3 There is a risk that Capital Theatres will be unable to meet the annual repayment associated with borrowing from the Theatre Development Fund. This is mitigated by (i) the current level of income exceeding the repayment by £0.2m and (ii) there is the potential to increase the levy if required.

7. Equalities impact

7.1 Capital Theatres actively promotes access to services for different equalities groups; provides data on the level of use of services by equalities groups; provides evidence of quality analysis relating to equality groups.

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 redevelopment of the King's Theatre.

9. Consultation and engagement

9.1 None.

10. Background reading/external references

10.1 None.

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11. Appendices

None.

Finance and Resources Committee

10.00am, Thursday, 12 June 2018

City Deal New Housing Delivery Partnership Acquisition of Homes 2018/19

Item number	7.14
Report number	
Executive/routine	
Wards	All
Council Commitments	1, 6, 10

Executive Summary

In February 2018, the City of Edinburgh Council agreed to enter into agreements with Scottish Futures Trust (SFT) to establish two Limited Liability Partnerships (LLPs) to deliver 1,500 homes for market and mid market rent to be let to households on low to moderate incomes.

The new partnership will complement existing Council approaches to delivering affordable and low-cost housing and will be branded as Edinburgh Living.

The purpose of this report is to seek approval to transfer the first 105 mid market rent homes developed on mixed tenure sites, as part of the Council's housebuilding programme, from the Housing Revenue Account (HRA) to the new mid market rent LLP. The homes will be transferred on completion at a transfer price based on total development costs; including construction cost, land value and related short-term funding costs.

Committee is asked to note the lending and capital advances required for the LLP to complete the purchase and refer the report to City of Edinburgh Council for approval. The purchase will be funded through a mix of borrowing and Scottish Government grant. The HRA will receive a capital receipt.

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Report

City Deal New Housing Delivery Partnership Acquisition of Homes 2018/19

1. Recommendations

1.1 It is recommended that the Finance and Resources Committee:

1.1.1 Agrees the transfer of 105 homes constructed as part the Council's housebuilding programme, from the Housing Revenue Account (HRA), to the Housing Delivery Partnership mid market rent LLP in 2018/19.

1.1.2 Note the requirement for the Council:

1.1.2.1 to lend up to approximately £13m to the mid market rent LLP to purchase 105 homes;

1.1.2.2 to provide a corresponding capital advance from the Loans Fund based on a repayment profile using the funding / income method, as set out in paragraph 3.12; and

1.1.2.3 to amend the Loans Fund Repayment Policy to include the funding / income method repayment as set out in paragraph 3.14.

1.1.3 refers this report to Full Council on 28 June 2018 for approval of the above.

2. Background

2.1 On 17 September 2015, the City of Edinburgh Council agreed to enter into a partnership with SFT to accelerate housebuilding through acquisition of homes for market rent and mid market rent.

2.2 This proposal formed part of the housing programme in the Edinburgh and South East City Region Deal in 2017. This included Scottish Government consent for the City of Edinburgh Council to on-lend up to £248 million to two LLPs, one for market rent and one for mid market rent, for the purpose of delivering a minimum of 1,500 homes for market and mid market rent in Edinburgh.

2.3 On 18 January 2018, the Housing and Economy Committee agreed that the Council could enter into agreements with SFT to establish the LLPs to support the delivery of homes for market rent and mid market rent.

2.4 The same Committee agreed, in principle, that homes developed by the Council within mixed tenure developments for market rent and mid market rent could be transferred to the LLPs on vacant possession, subject to agreement by the Finance and Resources Committee.

2.5 The report was referred to the City of Edinburgh Council on 01 February 2018 to confirm the appointment of elected members and an Executive Director to represent the Council on the LLPs' Corporate Body.

2.6 The Council entered into agreements with SFT on 28 March 2018. The first meeting of the LLP's Corporate Body is due to take place on 04 June 2018.

3. Main report

Transfer and operation of homes

3.1 The purpose of this report is to seek Committee approval to take the next steps towards making the LLPs operational by approving transfer of homes scheduled for completion in 2018/19 and earmarked for mid market rent, from the HRA to the mid market rent LLP. The homes will be transferred on completion and let to tenants on low to moderate incomes.

3.2 In total, 105 of the homes to be delivered by the programme in 2018/19 have been earmarked for mid market rent. These are detailed within Appendix 1. The homes will be delivered on four sites across the city. The first of these homes will be available at Clermiston in August 2018. The remaining three sites are Greendykes G, Hailesland Place and North Sighthill. The homes are located within mixed tenure developments which include housing for social rent which will be held on the HRA and managed by the Council.

3.3 Once transferred, the homes will be owned by the LLP and let and managed by a Management and Maintenance Service Provider appointed by the Council. The Council has a 99.9% share in the mid market rent LLP with the remaining 0.01% held by SFT.

3.4 A procurement exercise has been initiated to select an organisation with suitable experience to manage and maintain the homes on behalf of the LLPs. The operational model is based on the successful approach in use under the National Housing Trust (NHT) initiative. The procurement process will have a strong emphasis on customer service and financial and operational performance. A report will be brought to a future meeting of the Finance and Resources Committee seeking approval to award the contract.

3.5 A proportion of the rents collected will be held by the LLP as a lifecycle reserve. This will ensure that funds are in place to enable the LLPs to maintain the homes in future years and carry out large lifecycle maintenance programmes; including the replacement of kitchens, bathrooms and door entry systems, for example, at the appropriate times.

Lending and corresponding capital advances

3.6 In the case of the mid market rent LLP, it is intended that the acquisition of each tranche of housing units is funded by a combination of grant from the Scottish

Government and a loan from the Council. In the case of the market rent LLP, the acquisition of each tranche of housing will be funded purely by loan from the Council.

3.7 The loans to the LLPs will be a 40-year annuity repayment structure, similar to a mortgage. For the mid market rent LLP, the rate of interest on the loan will be based on the Public Works Loan Board (PWLB) 40-year annuity rate available to the Council on the day each loan is advanced. For the market rent LLP, the rate of interest will be slightly higher than PWLB 40-year annuity rate to take account of the higher rent that will be charged through this initiative and the funding risk (100% loans).

Ministerial Consent and funding by capital advance

3.8 Scottish Government Ministers have the power to allow Councils to borrow for purposes other than the strict criteria outlined in the Local Authority (Capital Financing and Accounting Scotland) Regulations 2016, including giving consent to lend to third parties. The Council has been given consent by the Scottish Government to borrow for the loans to both LLPs, which in turn permits capitalisation of this lending. This means that the loans will be funded by a capital advance from the Council's Loans Fund in the same way that any other capital expenditure made by the Council (and funded by borrowing) would be.

3.9 The loans will increase the Capital Financing Requirement (CFR) of the Council and hence the Council's underlying need to borrow. The anticipated loans have already been included as a separate line in the borrowing CFR approved as part of the budget process and 2018/19 Treasury Strategy. The loans have also been included in the Authorised Limit and Operational Boundary Prudential Indicators.

3.10 The Council does not need to borrow externally specifically to make the loans to the LLPs but the consent allows it to borrow if it chooses to do so. However, while the Council may wish to make the advantageous PWLB interest rates available to the LLPs to assist them in delivering the provision of affordable housing for rent, the Council will wish to mitigate the interest rate risk in doing so. As set out in the 2018/19 Treasury Strategy, it is likely that matching back to back arrangements for external borrowing will be considered when each loan to the LLPs is made.

New Borrowing Regulations

3.11 In 2016, the Scottish Government introduced a new set of regulations governing local authority borrowing in Scotland. Some the changes brought in by the regulations were required to support the City Deal structures in Scotland, and one of these key changes was the introduction of a range of options available to repay the principal on capital advances.

3.12 Until now, the Council has continued to apply the statutory repayment profile to advances from the loans fund which is the same method used before the introduction of the new Regulations. However, the funding / income method gives the Council the ability to sculpt capital advance repayments to the income that will be generated by the expenditure or other future funding. In granting their consent to borrow on behalf of the LLPs, the Scottish Government have provided formal consent on the basis that the funding / income repayment method be used.

3.13 It is therefore intended that the repayment profile for the capital advance is a 40-year annuity to match the loan to the LLP, based on the life cycle maintenance provision proposed. It should be noted, however, that should the LLPs fail to make their loan principal or interest repayments, the Council's General Fund will need to fund the shortfall from elsewhere in its own budget.

Amendment to Loans Fund Repayment Policy

3.14 Under the 2016 Regulations, the Council is required to maintain a Loans Fund Repayment Policy. The current Policy, approved as part of the 2018/19 Treasury Strategy requires to be amended to include the funding / income method of repayment. It is recommended that the new Policy reads:

Loans Fund Repayment Policy

3.15 The Council operates a consolidated loans fund under the terms of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. Capital payments made by services are financed by capital advances from the loans fund.

3.16 With the exception of advances in relation to Edinburgh Living LLPs, all advances from the loans fund in the current year have a repayment profile set out using Option 1 – the statutory method. These capital advance along with previous years' advances from the loans fund are being repaid using the previous hybrid annuity structure with fixed principal repayments.

3.17 For capital advances for loans to Edinburgh Living LLPs, all advances from the loans fund in the current year have a repayment profile set out using Option 4 – the funding / income method and these capital advance will be repaid using an annuity structure with fixed interest rate and principal repayments.

4. Measures of success

4.1 The establishment of two LLPs to deliver 1,500 homes for households on low to moderate incomes.

4.2 The LLPs have a key role to play in delivering the Council's housing strategy and the coalition commitment to deliver 20,000 homes over ten years. The development of the LLPs will also have a positive impact on the local economy, through creating opportunities for local businesses as well as jobs in construction.

4.3 Support the delivery of more social rented homes by operating at scale.

4.4 Support the delivery of mixed tenure housing led regeneration of brownfield sites.

4.5 High quality, well managed homes and outstanding customer service for tenants.

4.6 Positive impact on the local economy through creation of jobs and regeneration opportunities.

5. Financial impact

Housing Revenue Account

5.1 The mid market rent LLP will purchase 105 completed homes from the HRA for a Capital Receipt of £15.18m. The transfer price is based on total development costs; including construction cost, land value and related short-term funding costs. The financial impact of this mechanism on the HRA will be cost neutral and the capital expenditure associated with funding the construction forms part of the approved Housing Revenue Account Budget Strategy for 2017/18 to 2021/22. This approach will also be applied to future transfers as it ensures that the HRA is not impacted financially as a result of front-funding these developments.

LLPs

5.2 The mid market rent LLP will fund the purchase of these homes from £12.87m in borrowing received through Council lending and £2.310m of Scottish Government grant funding. Approval is required from the City of Edinburgh Council to lend funds to the LLP in order to fund the purchase of these homes. The costs associated with the lending will be recharged to the LLP, who will meet these costs from net rental income generated from letting the properties.

5.3 A viability test has been carried out to ensure that the 105 homes purchased by the mid market rent LLP are capable of generating a sustainable income stream that can cover running costs and repayment of principal and interest on the lending provided by the Council's General Fund. A prudent allowance is also required to be earmarked to cover future life-cycle maintenance.

5.4 The test uses Debt Service Cover Ratio (DSCR) as a measure of financial viability. DSCR is a measure of the cash flow available to pay debt servicing and is calculated as:

$$\frac{\text{Net Income (excluding lifecycle provision)}}{\text{Debt Servicing costs}} = \text{DSCR}$$

5.5 A minimum DSCR of 1.02 times is used to measure financial viability to the LLPs. This is defined as the net cash flow available after all running costs have been met (excluding lifecycle provision) being at least 2% higher than debt servicing costs. If the DSCR is 1.02 times or greater, the acquisition is considered to have met the minimum financial viability criteria. The test will be run for every acquisition made by the LLPs.

5.6 The viability test requirements were met, with projected net rental income (excluding lifecycle reserve provision) against loan repayments representing a debt service cover ratio of 1.13 times. Furthermore, the proposed rent levels for these homes have been compared to local housing market rents and considered to be appropriate and affordable. Rent levels will be within local housing allowance levels. Detail of the output of the financial viability test is included within Appendix 2

5.7 The lending to the mid market LLP in order to acquire 105 homes for mid market rent will be £12.87m, supplemented with £2.310m of grant funding from the Scottish Government (£0.022m per mid market unit has been provided through City Region Deal). The overall indicative loan charges associated with this capital advance over a 40-year period will be a principal amount of £12.87m and interest of £9.850m, resulting in a total cost to the LLPs of £22.72m based on an average facility interest rate of 3.125%. The annual loan charges will be £0.568m and will be fixed for the 40-year borrowing period. The annual loan charges will be repaid through the net rental income generated from letting the homes. This is projected to be £0.639m per annum in the first full year of operation and will be subject to annual inflationary increases.

General Fund

5.8 The viability test results project that the LLPs will generate sufficient net rental income to repay the Loans Fund capital advances relating to borrowing provided for the acquisition of homes and meet life-cycle maintenance requirements. The LLPs will monitor the actual operating position and adapt their business plan on an ongoing basis to ensure that this remains the case. It should be noted, however, that should the LLPs fail to make their loan principal or interest repayments, the Council's General Fund will need to fund the shortfall from elsewhere in its own budget.

5.9 Financial risk to the General Fund in the event of LLP default is mitigated by the Council having first ranking security on the homes after repayment of Scottish Government Grant provided for the mid-market rent LLP.

6. Risk, policy, compliance and governance impact

6.1 The LLP is made up of two partners, the City of Edinburgh Council and SFT.

6.2 The day to day management of the LLPs is delivered by a Senior Management Team made up of Senior Officers of the Council and a Senior Officer from SFT. The LLPs are governed by the two Members, the Council and SFT, and meet as a Corporate Body represented by four elected members, the Executive Director of Place and a Director from SFT.

6.3 Reports will be delivered to both the Housing and Economy Committee and the Governance, Risk and Best Value Committee providing updates on the operations of the LLPs.

6.4 Scottish Government consent is required to allow the Council to transfer land out of the HRA. In 2016, the Scottish Government published guidance setting out the procedures that the Council should follow when disposing of land on the HRA.

6.5 The majority of disposals are now dealt with through a General Consent rather than needing to apply to the Scottish Government for consent on an individual basis.

6.6 This disposal will fall under the General Consent, ensuring that best consideration has been achieved for the HRA.

6.7 Financial risk to the Council in the event of LLP default is mitigated by the Council having first ranking security on the homes after repayment of Scottish Government Grant provided for the mid-market rent LLP. For example, if demand for rented homes was to diminish in the future and demand for homes for ownership increased, the homes could be sold.

7. Equalities impact

7.1 An integrated impact assessment has been carried out for this project. A range of positive impacts have been identified. These include:

7.1.1 More accessible homes that are suitable for people who have mobility difficulties;

7.1.2 More affordable homes to enable people to have a good standard of living;

7.1.3 More people able to access housing which enhances rights in relation to privacy and family life; and

7.1.4 Community benefits secured through housing contracts can enhance rights to education and learning through development of links with schools.

8. Sustainability impact

8.1 The partnership will support the delivery of new homes on brownfield sites, reducing pressure on Edinburgh’s green belt.

8.2 New build homes are built to high standards in terms of energy efficiency and sustainability. There will be a strong emphasis on providing homes that are cheap to heat and affordable to manage for tenants.

8.3 Community benefits secured through housing contracts can enhance the local environment.

9. Consultation and engagement

9.1 Consultation has taken place on accelerating house building and establishing housing LLPs with a range of partners including; RSLs, housing developers, land agents, institutional investors, Scottish Government and the SFT.

9.2 There is strong support from Council tenants for delivery of more affordable homes and strong demand for housing at mid market rent levels.

10. Background reading/external references

10.1 Accelerating House Building – referral from the Health, Social Care and Housing Committee, City of Edinburgh Council, Thursday 17 September 2015

10.2 21st Century Homes – Housing Development at Fountainbridge and Meadowbank, Health Social Care and Housing Committee, Tuesday 19 April 2016

10.3 City Housing Strategy Update, Health, Social Care and Housing Committee, Tuesday 13 September 2016

10.4 City Deal – Proposal for New Housing Partnership with Scottish Futures Trust, Housing and Economy Committee, Thursday 02 November 2017

10.5 City Deal – New Housing Delivery Partnership Implementation, Housing and Economy Committee, Thursday 18 January 2018

10.6 City Deal – New Housing Delivery Partnership Implementation – Referral from the Housing and Economy Committee, City of Edinburgh Council, 01 February 2018

10.7 Annual Treasury Strategy 2017-18 - referral from the Finance and Resources Committee, City of Edinburgh Council, Thursday 16 March 2017

10.8 Annual Treasury Strategy 2018-19, City of Edinburgh Council, Thursday 15 March 2018

Paul Lawrence

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11. Appendices

11.1 Appendix 1 – List of homes to be transferred on completion

11.2 Appendix 2 – Output of financial viability test

Appendix 1

Mid market rent homes to be delivered in 2018/19

Site	Number of homes for mid market rent	Approximate date of first phase handovers
Clermiston	22	August 2018
Greendykes G	56	September 2018
Hailesland Place	11	November 2018
North Sighthill	16	January 2019
Total	**105**	

Appendix 2

Output of Financial Viability Test

Site	Total acquisition price £m	Scottish Government grant £m	Projected Net Income (per annum – first full year of operation) £m	Debt Servicing costs (per annum) £m	DSCR
Clermiston	3.12	0.484	0.131	0.113	1.16
Greendykes G	8.11	1.232	0.343	0.305	1.12
Hailesland Place	1.53	0.242	0.061	0.057	1.07
North Sighthill	2.42	0.352	0.104	0.093	1.12
Total	**15.18**	**2.310**	**0.639**	**0.568**	**1.13**

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Provision of Registrar Services

Item number	7.15
Report number	
Executive/routine	
Wards	All
Council Commitments	None

Executive Summary

On 21 September 2017, Councillor Booth requested in a motion at Council for a report which sets out options for the future of Leith Registrar's Office and outline plans for any necessary public consultation on these options. This report seeks to address that request.

Report

Provision of Registrar Services

1. Recommendations

1.1 It is recommended that committee:

1.1.1 Note the contents of this report;

1.1.2 Approve consolidation of Kirkliston Registrar office into the South Queensferry Registrar office to provide a unified service; and

1.1.3 Approve that the marriage diary at Leith Registrar office be closed on each and every Tuesday and Wednesday excepting when either is on St Valentine's Day, a popular marriage day.

2. Background

2.1 The city has been served by eleven Registrar offices in Currie, Forrest Road, Haymarket, Kirkliston, Leith, Montrose Terrace, Morningside, Newington, Queen Street, Ratho and South Queensferry. Civil Marriage ceremonies were conducted in all offices except Forrest Road. Currie, Kirkliston and South Queensferry were dual purpose offices, also dealing with Council Tax, rent payments etc.

2.2 In the early 1990s Forrest Road, Montrose Terrace, Morningside, Newington and Queen Street were closed to provide a semi-centralised service in India Buildings on Victoria Street. The offices at Currie, Haymarket and Ratho were later consolidated into India Buildings.

2.3 In 2007 India Buildings was sold and the centralised Registrar Service moved into Lothian Chambers with three satellite offices retained at Leith, Kirkliston and South Queensferry.

2.4 In 2016 as part of the Council transformation programme the number of FTE staff was reduced by five to 17 (23%) which put significant strain on maintaining service delivery from four offices.

2.5 In 2017 the centralised Registrar Service in Lothian Chambers moved into high quality purpose built accommodation located in The Quadrangle, City Chambers.

2.6 In late summer 2017 four events coalesced together to encourage development of officer proposals to consolidate the Registrar service in Edinburgh to two sites from the current four. These events were:

2.6.1 the reduced number of available Registrar staff;

2.6.2 the creation in City Chambers of a fit for purpose office with enhancements such as separate rooms to record deaths and still births to provide privacy;

2.6.3 an Estates Optimisation Programme that included the vacation of 1A Parliament Square and relocation of Homelessness Services with one preferred location identified as Leith Library and Registrar Office; and

2.6.4 the requirement to contribute to anticipated savings of around £20m to balance the 2018-19 council budget (consolidation of Leith Registrar into City Chambers would provide staff resource savings of one FTE or around £30,000 per annum).

2.7 At Council on 21 September 2017 Councillor Booth's approved motion requested a report which set out options for the future of Leith Registrar Office and outlined plans for any necessary public consultation on these options. This report seeks to address that request.

3. Main report

3.1 This report seeks to review the Registrar Service.

Current Service Description

3.2 The service currently has four offices at City Chambers, Leith Library, South Queensferry Local Office and a room in Kirkliston Local Office. The services delivered at each office is as follows:

City Chambers
Birth, Death, Marriage and Civil Partnership Registration
Nationality Checking of foreign nationals on behalf of UK Home Office
Citizenship Ceremonies of groups and individuals
European Passport checking service
Conducting Marriage & Civil Partnership Ceremonies
Coordinating supply civil celebrants who conduct ceremonies at venues out with the registrar's office
Leith
Birth, Death, Marriage and Civil Partnership Registration
Conducting Marriage & Civil Partnership Ceremonies
South Queensferry
Birth, Death, Marriage and Civil Partnership Registration
Conducting Marriage & Civil Ceremonies
Kirkliston
Birth, Death, Marriage, and Civil Partnership Registration

Registrar Provision in Scottish Cities

3.3 Infrequent utilisation of Registrar Services has driven consolidation onto fewer and fewer sites in other Scottish cities. By contrast Edinburgh still has a significant offering of office locations. This comes at a cost.

City	Number of Registrar Offices
Aberdeen	1
Dundee	1
Edinburgh	4
Glasgow	1

Leith Registrar Customer Analysis

3.4 To carry out an analysis of the home address of the customer using the services at Leith Registrar office the National Records of Scotland were asked to search their database on postcode. The below table details the registrar events (births, deaths & civil ceremonies) recorded in Leith office during the financial year 2017-18.

Registrar Event	*Leith Resident	Other Edinburgh not Leith	Other Scotland not Edinburgh	Other UK Not Scotland	Outside UK	Total Registrar Events in Leith Office	Leith Resident as % of Total Events
Civil Partnership & Marriage	68	223	35	25	15	366	19%
Birth Registration	452	-	-	-	-	1913	24%
Death Registration	204	-	-	-	-	1366	15%

*EH6 postcode used as proxy for Leith

3.5 As a proxy for Leith an EH6 postcode, which includes Newhaven and Craigentinny, was used to search the database. See appendix 4 for area map. The number of civil marriages (64) and civil partnerships (two) recorded in Leith Registrar where one or both parties were resident in Leith was 66 or 19% of the total recorded. The other 81% of civil marriages and partnerships involved non-residents of Leith, mostly from other parts of Edinburgh (61%), but a significant proportion of the total (20%) were from outside Edinburgh including 15 couples from overseas. Leith Registrar is the lowest cost marriage venue in urban Edinburgh so may attract customers from other areas for that reason. The Registrar in Leith works closely with UK Border Agency to ensure that marriages of couples from out with the UK comply with nationality and immigration rules.

3.6 The analysis of registrar events by National Records of Scotland found that 24% of births registered in Leith Registrar office were made by a parent living in Leith and 15% of deaths registered were of a person resident in Leith. A formal consultation with customers to ascertain why they prefer to use Leith office rather than one of the other offices has not been carried out. However, evidence from the booking of appointments process and informal discussion with customers indicates that ability to park is the main reason for use of the Leith office rather than using the former Lothian Chambers or current City Chambers offices.

Leith Registrar Office Proposal

3.7 As noted in 2.5 above an internal officer review had concluded that moving the Leith Registrar Office into the new City Chambers Registrar office made good sense for a range of reasons:

3.7.1 there was insufficient staff resource to maintain four registrar offices across the city following the transformation review in 2016;

3.7.2 Leith Registrar office was setup in a single room (formerly the reading room of Leith Library) to register births, deaths and marriages;

3.7.3 due to the open plan nature of the room there was no private space to offer dignity and respect for the recording of deaths and still births. The new City Chambers Registrar office offered this facility with three purpose built rooms;

3.7.4 Leith Registrar office marriage suite is in a separate building (Thomas Morton Hall / Leith Theatre) next door which causes difficulties to resource both areas with limited staff; and

3.7.5 water leaks had caused paint and plaster to peel from the wall and ceiling (appendix 1)

3.8 The officer review, which had not been approved, had concluded wrongly that the offer of a better customer environment in new purpose-built City Chambers office along with local provision in Leith of homeless and housing service would be welcomed and had not fully considered there might be a local preference for office location over quality of Registrar service provision. The Leith registrar book would still have been available in the City Chambers office with customers choosing to have their life event entry in the Edinburgh or Leith registration book.

3.9 A Registrar Service was retained in Leith office by temporarily withdrawing provision to the Kirkliston office (which has been re-directed to the South Queensferry office) and using part time council celebrants on Saturday's rather than permanent registrar staff to ensure full staff availability during the week.

3.10 Leith Theatre Trust are seeking amendments to their lease arrangements with the Council to allow greater day time access to set up for events. Sounds checks and noise from stage set up are not compatible with a dignified marriage service so the Registrar Service is seeking to reduce the days on which civil ceremonies are offered. It is proposed that the marriage/civil partnership diary is closed on Tuesday and Wednesday excepting when either is on St Valentine's Day, as this is a popular ceremony day to allow greater utilisation of Leith Theatre Trust for local events. Taking account of the low utilisation of the Leith marriage suite by Leith residents it is recommended that the Council continues to work with Leith Theatre Trust to provide greater access for them to Thomas Morton Hall.

3.11 If the refurbishment of the Leith Theatre is as successful as the Trust hope it is likely that greater access and perhaps full access will be requested in the future. This would require a future review on how and where a ceremony venue is provided.

3.12 This report does <u>not</u> propose that Leith Registrar office be moved from its current location therefore a public consultation is not necessary.

Kirkliston and South Queensferry Registrar Offices

3.13 The Registrar service in Kirkliston is provided from one small office in the library hub building. The only service that is provided is registration of births, deaths and marriage/civil partnership preliminaries with no ceremonies conducted. Due to available onsite car parking the office is generally used for convenience by customers including those from across the boundary in West Lothian. The service has not been made aware of any complaints made regarding temporary consolidation of the Kirkliston Registrar service into the South Queensferry office.

3.14 It is recommended that due to lack of staff resource the consolidation of Kirkliston Registrar service into the South Queensferry office be made permanent.

3.15 Consolidation of the three ceremony suites in Lothian Chambers into one suite in City Chambers and proposed reduction in capacity at Leith to accommodate greater Leith Theatre Trust access means that extra capacity to conduct civil ceremonies is required elsewhere. This will include working with Council Events team to maximise usage of current estate. In addition, the South Queensferry office will receive some cosmetic improvements to the marriage suite. This will provide an enhanced marriage suite in the rear room with views across the Forth to the three bridges and a standard marriage suite in the front room facing onto the road.

4. Measures of success

4.1 Provision of Registrar service with minimal customer complaints.

5. Financial impact

5.1 There are no significant, new financial implications arising from this report. The proposed service offer can be contained within the existing budget.

6. Risk, policy, compliance and governance impact

6.1 The actions and outputs described in this report adhere to the risk compliance policy and governance arrangements. In addition, the recommendations in the report do not impact on any existing policies of the Council.

7. Equalities impact

7.1 There are no significant equalities implications arising from this report.

8. Sustainability impact

8.1 There are no significant sustainability implications arising from this report.

9. Consultation and engagement

9.1 Consultation with the North East and North West Locality Managers has taken place.

10. Background reading/external references

Paul Lawrence

Executive Director of Place

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11. Appendices

11.1 Appendix 1 - Leith Registrar Office

11.2 Appendix 2 - South Queensferry Registrar Office

11.3 Appendix 3 - Kirkliston Registrar Office

11.4 Appendix 4 - Map of Postcode Area Used for Leith Residency

Leith Registrar Office

1 - Front door – side entrance of library

2 - Open plan Registrar office with staff accommodation to rear

3 - Paint peeling from walls and ceiling

Appendix 2

South Queensferry Registrar Office

1 - Location photo

2 - Front door to shared accommodation

3 - Marriage suite with views across three bridges on the River Forth

Appendix 3

Kirkliston Registrar Office

1 - Location photo

2 - Shared entrance with library and local office

3 - Registrar's room

Appendix 4

Map of Postcode Area Used for Leith Residency

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Land at the Wisp (Plot 3c) – Proposed Disposal

Item number	7.16
Report number	
Executive/routine	
Wards	17 – Portobello/Craigmillar
Council Commitments	C10

Executive Summary

The Council retain ownership of an area of land at The Wisp known as Plot 3c. Springfield Properties Plc own, or have secured a legal interest in, the adjoining land and has made a direct approach to the Council to purchase Plot 3c for residential development.

This report seeks authority to progress the disposal to Springfield Properties Plc on the terms outlined in the report

Report

Land at the Wisp (Plot 3c) – Proposed Disposal

1. Recommendations

1.1 That Committee:

1.1.1 Approves the disposal of the Plot 3c at The Wisp to Springfield Homes 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 On 13 December 2017, the Housing and Economy Committee approved a number of property transactions between several parties that were required to facilitate the release of land to provide a replacement car park at Little France, to allow the new Sick Kids Hospital to be built; the purchase of the Bioquarter expansion lands by Scottish Enterprise; the release of land as New Greendykes for residential development by Persimmons Homes; and the land and funding for the Niddrie Burn Restoration project and public transport link between the Royal Infirmary and Edinburgh.

2.2 As part of the above transactions, the Council was gifted an area of land at The Wisp, known as Plot 3c. In 2016, the Council sold part of the site, extending to 0.64 ha (1.6 acres) to Thistle Timber Limited to allow an extension to their existing yard.

2.3 The remainder of the site extends to 1.59 hectares (3.92 acres) as shown outlined in red on the plan attached as Appendix 1. The plot has no designated zoning in terms of land use within the Local Development Plan. The land to the south and west is zoned for residential purposes.

2.4 As part of the sale to Thistle Timber, a right of access to Plot 3c was retained across the land immediately to the south, which is in separate ownership. Springfield Properties Plc own the land to the south of this access strip and has secured a legal interest in the access land and will therefore own up to the southern boundary of the Plot 3c. In addition, Springfield also own a strip of land which runs along the western boundary of Plot 3c.

3. Main report

3.1 Springfield Properties Plc is progressing with a residential development on their land. To complete the land assembly have made an approach to the Council to acquire Plot 3c to allow a continuation of their residential development in the area.

3.2 Following negotiation, the following main terms and conditions have been agreed:

- Purchaser — Springfield Properties Plc
- Subjects: — Land at the Wisp (Plot 3c), Edinburgh
- Purchase Price: — £1,500,000;
- Conditions: — Purchaser receiving planning permission in principle for residential development on the site;
- Overage: — The purchaser will pay an additional £20,000 per plot for any private sale units above 100 for which planning permission in principle is granted;
- Costs: — The purchaser will pay the Council's reasonably incurred legal and surveyor costs.

3.2 Springfield are currently progressing with a planning permission in principle application for a development of 136 residential units on the site.

3.2 The purchase price is a net price and allows for all abnormal costs for ground conditions and S75 contributions. The purchaser proposes to complete the application of the site prior to the submission of a detailed planning application.

4. Measures of success

4.1 The disposal of the land will result in additional housing being delivered, including affordable units, on an area of land that has little alternative economic use.

5. Financial impact

5.1 A capital receipt of £1,500,000 will be received by the General Fund Account, assuming planning permission in principle is granted, in financial year 2018/19.

6. Risk, policy, compliance and governance impact

6.1 This is a risk that the sale will not complete if planning permission in principle is not obtained by the purchaser.

7. Equalities impact

7.1 The proposal in this report will result in development in an area which is primarily zoned in the Local Development Plan for residential use therefore it is not considered that this will have an additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from this report.

9. Consultation and engagement

9.1 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

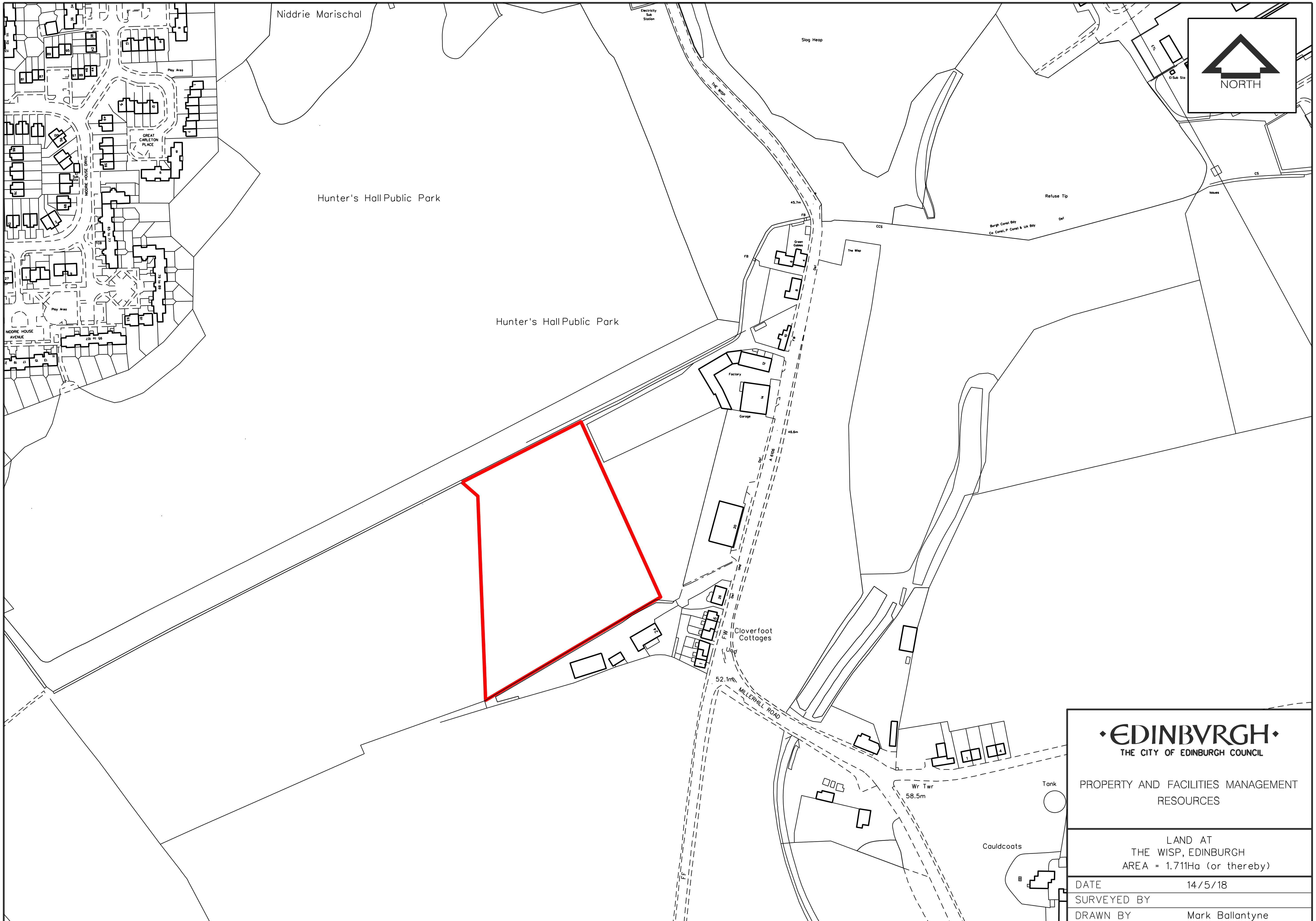
Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 539 5956

11. Appendices

11.1 Appendix 1 – Location Plan



EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

LAND AT
THE WISP, EDINBURGH
AREA = 1.711Ha (or thereby)

DATE	14/5/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1961

SITE PLAN

SCALE 1:2500

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Land at Swanston Village – Proposed Garden Ground Sales

Item number	7.17
Report number	
Routine	
Ward	Colinton/Fairmilehead
Council Commitments	47; 52

Executive Summary

Land within Swanston village is held on the Housing Revenue Account and is used for amenity purposes, parking, garden ground and access to the Pentland Hills. The Council has received three requests from property owners in the village to purchase four areas of land adjacent to their properties.

The owners of two cottages have applied to the Council to purchase land fronting their respective properties for use as garden ground. Swanston Farm Limited has applied to purchase areas of garden ground and hardstanding adjacent to properties in their ownership.

This report seeks authority to dispose of the land on the terms and conditions outlined in the report.

Land at Swanston Village – Proposed Garden Ground Sales

1. Recommendations

1.1 That Committee:

1.1.1 Approves the sale of the four areas of land at Swanston Village on 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 Swanston is a Conservation Village, and the visual amenity of the village is enhanced by the care and attention the cottage owners devote to the land.

2.2 Although the Council maintains the land, which is held on the Housing Revenue Account (HRA), the cottage owners further maintain it at their own expense. Swanston Farms Limited (SFL) also undertakes routine maintenance at their own expense.

2.3 The owners of numbers 12 and 13 Swanston Village have made a request to the Council to purchase two areas of ground adjacent to their properties. Although both cottages have back gardens they do not have front gardens.

2.4 The areas of land are grassed and sloping, extending to 165.03 sq m and 165.21 sq m respectively, as shown outlined in red on the plans attached at Appendix 1.

2.5 SFL occupies informally, with the Council's consent, the area of garden ground/hardstanding to the north of numbers 1 to 8 Swanston Village. It extends to 1,190 sq m and is shown outlined in red on the plan attached to this report at Appendix 2.

2.6 SFL also occupies, on the same basis, a narrow strip of garden ground to the rear of 4 to 6 Swanston Village. It extends to 150 sq m and is also outlined in red on the plan.

2.7 SFL owns the eight cottages numbers 1 to 8 Swanston Village, and the land to the north of numbers 1 to 8 was historically used as a drying green for those cottages. The narrow strip of ground has remained in Council ownership due to a conveyancing anomaly when the Title was originally split. SFL has made a request to purchase both areas of ground.

3. Main report

3.1 Following negotiations with the individual parties, provisional terms which have been agreed for the sale of the areas of land are as follows:-

Purchasers:	Numbers 12 and 13 Swanston Village; and Swanston Farm Limited.
Price:	£4,125 for each area of ground adjacent to numbers 12 and 13 Swanston Village. £25,000 for the two areas of land to be sold to SFL.
Conditions:	It will be a condition of each sale that the land must be used for garden ground and/or private parking and for no other use whatsoever.
Fees:	The purchasers will meet the Council's reasonably incurred legal and property costs.

3.2 The land value has been derived from rates achieved on the sale of garden ground elsewhere across the city and is reflective of current market levels. The land has no other alternative commercial use.

4. Measures of success

4.1 The disposal of the land to the cottage owners will provide a defensible ground fronting their properties, which they have voluntarily maintained for a number of years.

4.2 The disposal of the areas of land to SFL represents good asset management and allows a conveyancing anomaly to be corrected.

5. Financial impact

5.1 A capital receipt will be credited to the Housing Revenue Account, and the Council will be relieved of its maintenance responsibility for the land sold.

6. Risk, policy, compliance and governance impact

6.1 As with any sale transaction there is a risk that they do not complete. In that case the Council's maintenance responsibility will continue.

7. Equalities impact

7.1 The proposal in this report to dispose of areas of garden ground to adjoining owners does not have a significant additional impact on people, equalities, the economy and the environment.

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 this report.

10. Background reading/external references

10.1 None.

Stephen S. Moir

Executive Director of Resources

Contact: Mark Borthwick, Assistant Development & Disposals Officer

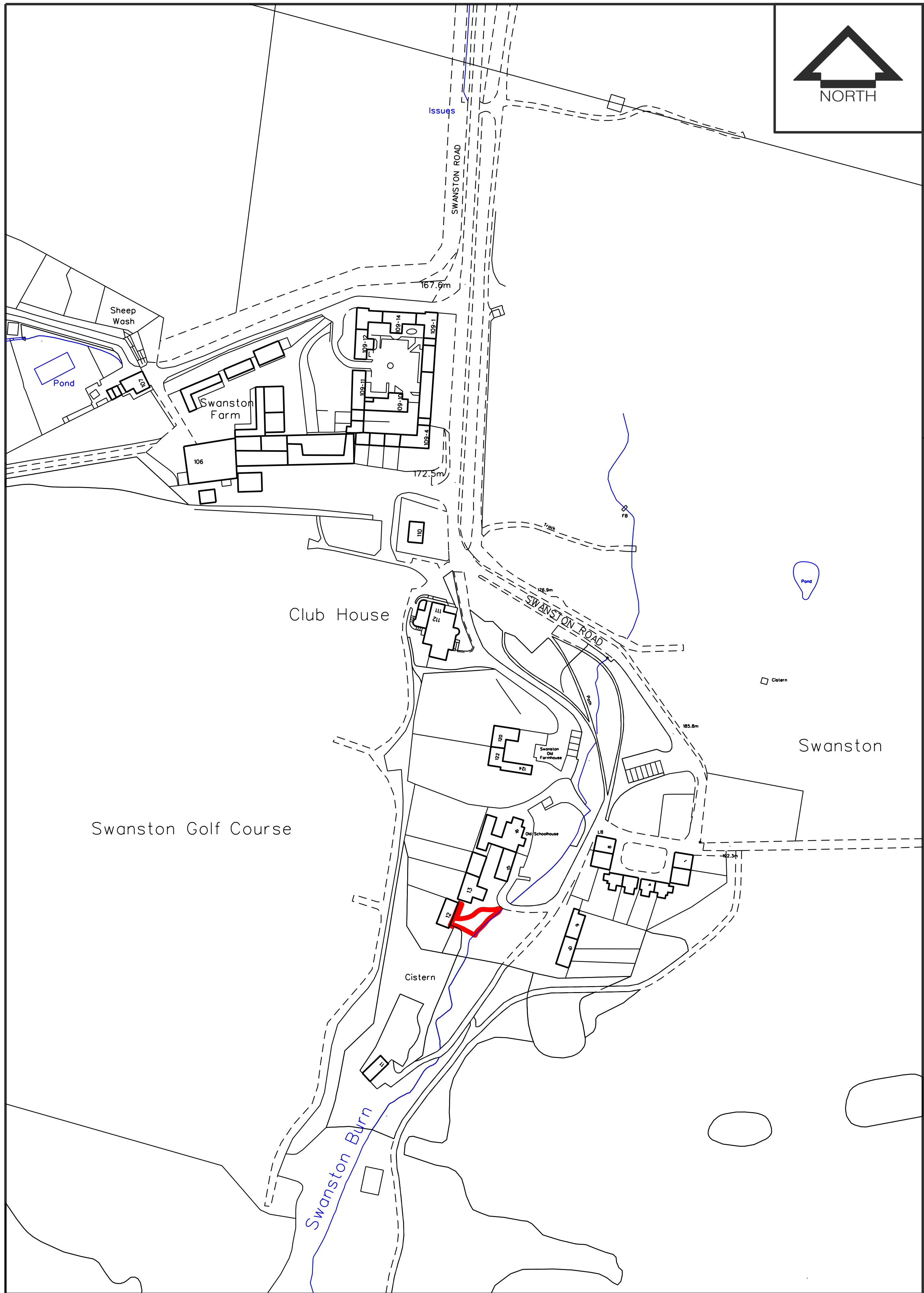
E-mail: mark.borthwick@edinburgh.gov.uk | Tel: 0131 529 5963

11. Appendices

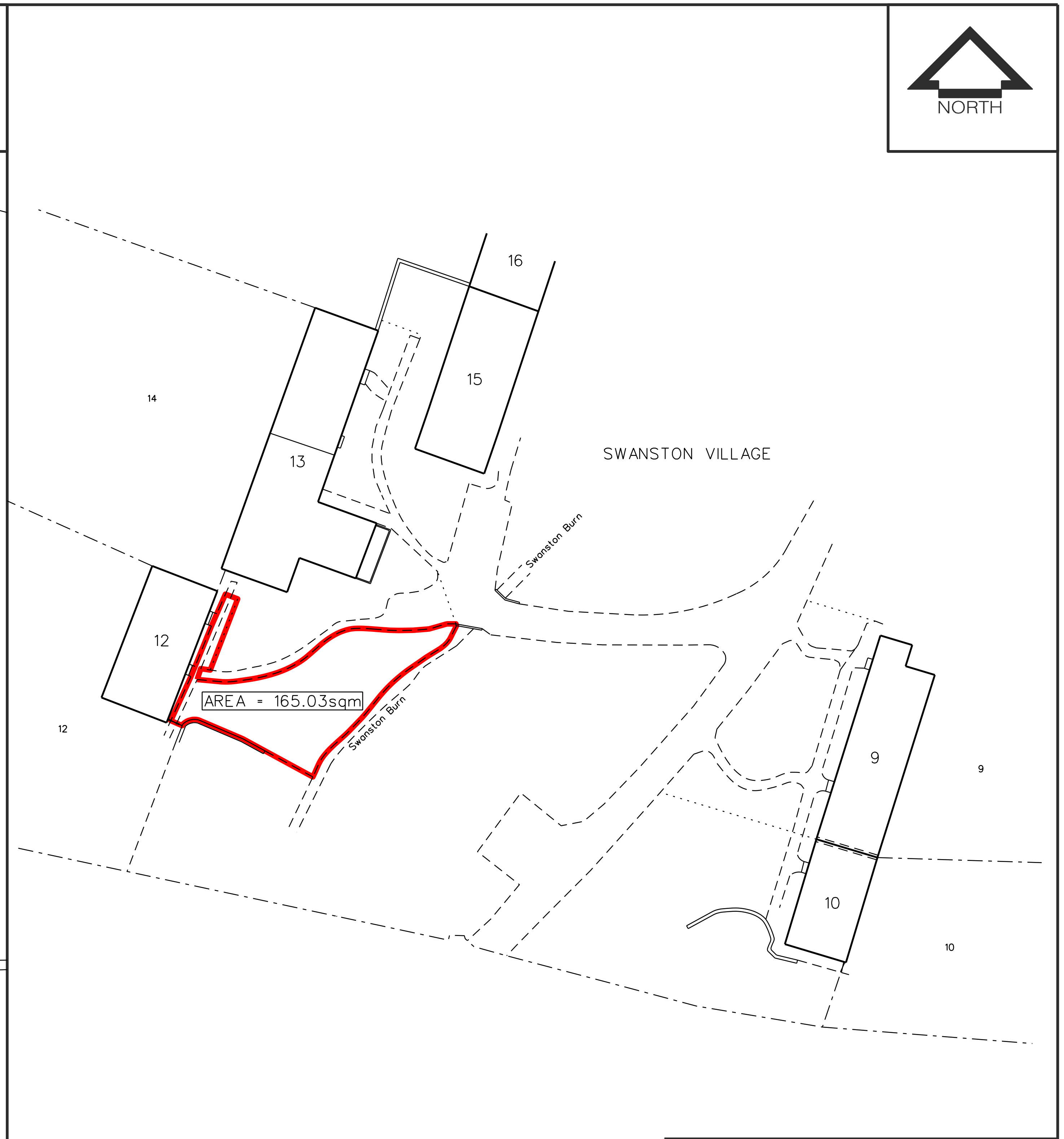
Appendix 1 - Location plans for Nos. 12 and 13 Swanston Village

Appendix 2 - Location plan for land to be purchased by SFL

Appendix 1



LOCATION PLAN SCALE 1:2500



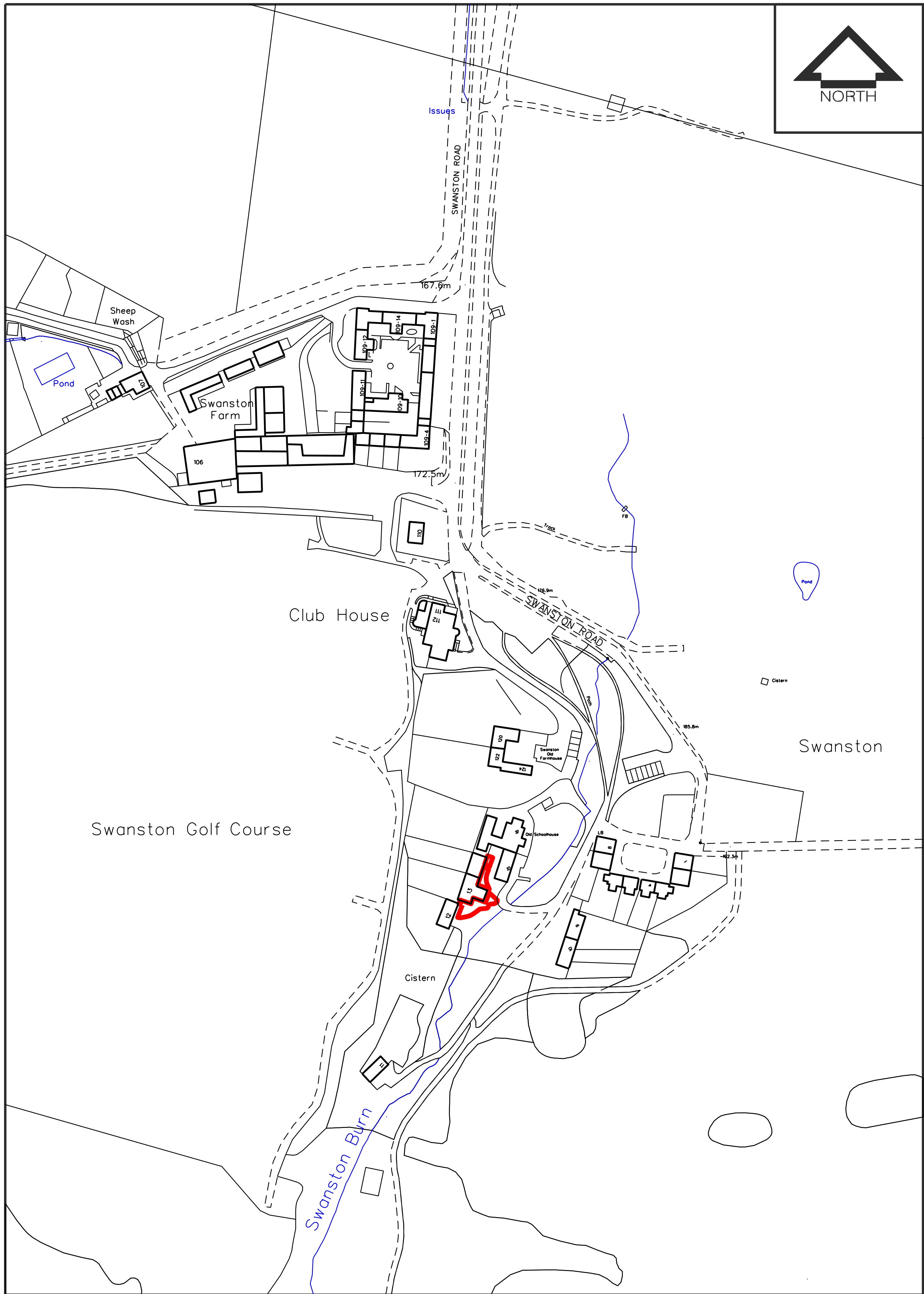
SITE PLAN SCALE 1:500

·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL

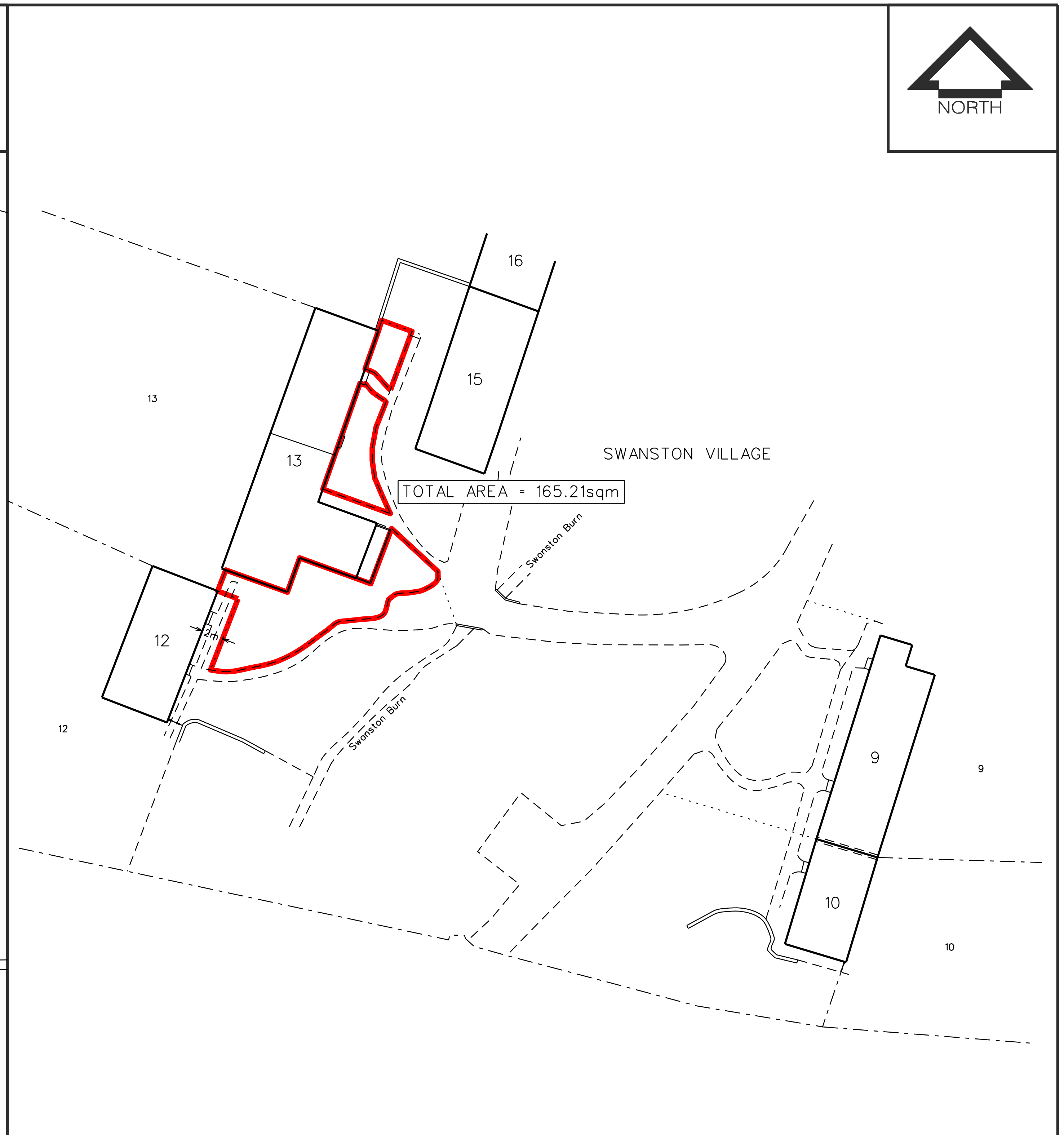
PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

LAND AT THE FRONT OF
12 SWANSTON VILLAGE
EDINBURGH

DATE	7/3/18
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/1901



LOCATION PLAN SCALE 1:2500



SITE PLAN SCALE 1:500

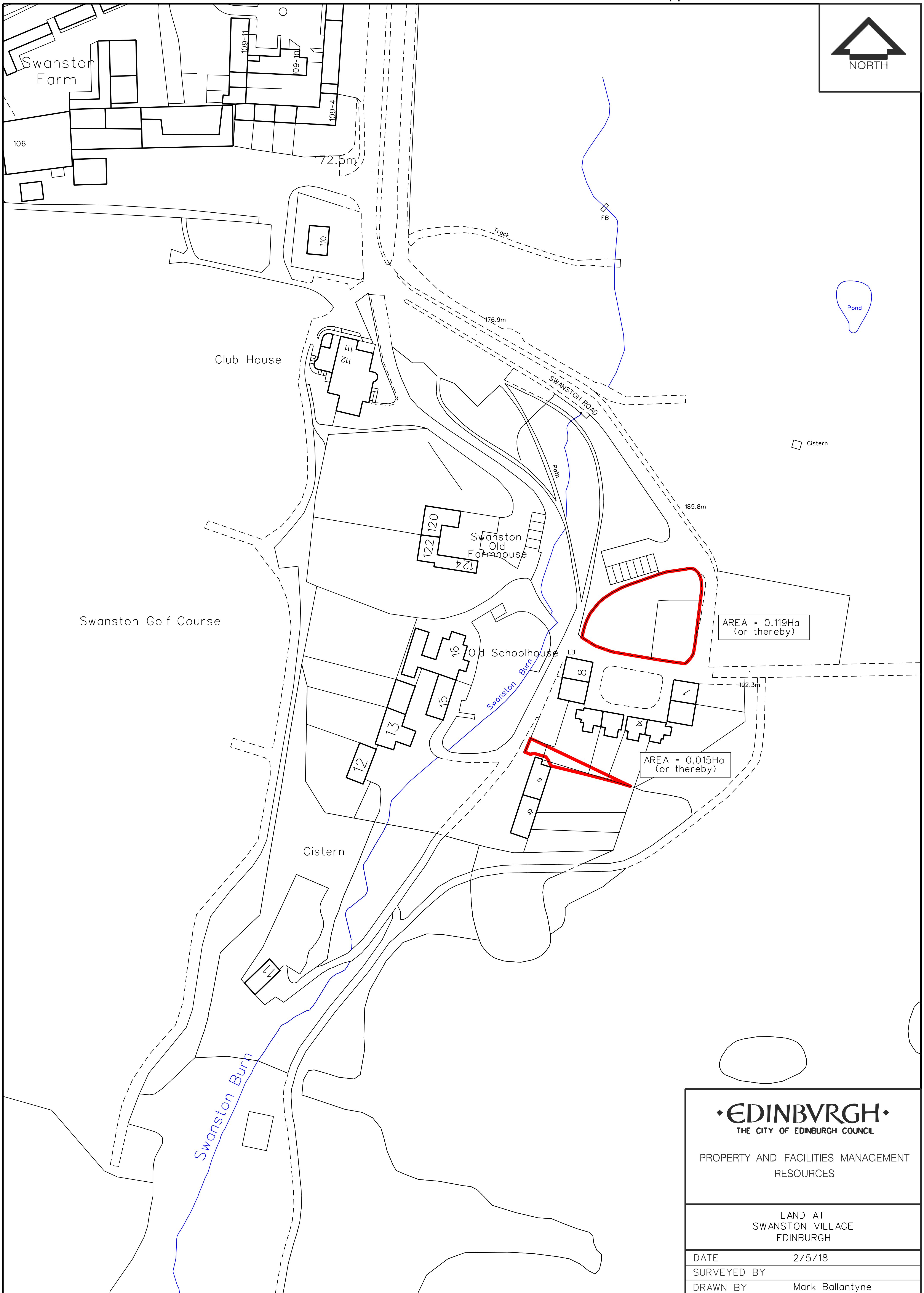
·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

LAND AT THE FRONT OF
13 SWANSTON VILLAGE
EDINBURGH

DATE	7/3/18
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/1901

Appendix 2



SITE PLAN

SCALE 1:1250

·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT RESOURCES

LAND AT
SWANSTON VILLAGE
EDINBURGH

DATE	2/5/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1901a

Finance and Resources Committee

10.00 am, Tuesday, 12 June 2018

4 Duncan Place – Community Asset Transfer Update

Item number	7.18
Report number	
Executive/routine	Executive
Wards	13 - Leith
Council Commitments	C2, C47 C51

Executive Summary

This report provides Committee with an update on proposals for an asset transfer and on funding that has been awarded and further applied for, to enable the transfer of the Duncan Place Resource Centre to the Duncan Place Volunteer Management Committee (DPVMC) by Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

It also seeks approval, in principle, to transfer the asset, subject to conditions, to assist with further funding applications by DPVMC.

Report

4 Duncan Place – Community Asset Transfer Update

1. Recommendations

1.1 That Committee:-

1.1.1 Notes the progress to date and the updates provided in this report;

1.1.2 Approves, in principle, to the transfer of the property to Duncan Place Volunteer Management Committee subject to the conditions outlined in this report.

2. Background

2.1 The former building at Duncan Place housed a community centre and the gym hall and nursery accommodation for Leith Primary School. Following a succession of issues with the condition of the building, the facility was closed in September 2014 to allow intrusive surveys to be carried out.

2.2 On 9 December 2014, the Education, Children and Families Committee considered the outcome of the above surveys and approved that the building should be demolished and further work carried out to establish the options for replacement.

2.3 On 6 October 2015, the Education, Children & Families Committee approved that, due to the Listed status of part of the property, part of the building should be retained and a new replacement gym hall and nursery be built for Leith Primary School on the demolished element of the site. Committee also approved that a working group be set up to take forward discussions with the Duncan Place Management Committee to progress the possibility of a community asset transfer of that part of the former building that would remain.

2.4 The working group was established comprising officers, local members and Duncan Place Management Committee. Since that time officers have been working with the renamed Duncan Place Volunteer Management Committee (DPVMC) to apply for funding to enable the asset to be renovated to a habitable condition and transferred to DPVMC as a community resource.

2.5 The new gym hall and nursery for Leith Primary School is nearing completion and this report provides an update on the work to deliver a community facility in the remaining element of the former Duncan Place building.

3. Main report

3.1 Considerable refurbishment works are required to bring the building back into a habitable condition. Plans and images of the proposed refurbishment are shown in Appendix 1.

Building Upgrade Funding

3.2 External funds have been sourced to meet the cost of the refurbishment, including environmental and energy efficient upgrades, to reduce the carbon footprint of the building. Council officers, in conjunction with DPVMC, have been successful in applying for funding for the building refurbishment works as follows:

- Scottish Government Regeneration Capital Grant Fund (RCGF): to cover the cost of capital works required to bring the building back into a habitable condition, totalling nearly £1.2m, has been approved.
- Scotland's Energy Efficiency Programme Phase 2 (SEEP2): the total cost of energy efficiency improvement works is £529,500. SEEP2 funding has been approved and will meet 50% of this cost.
- Salix Finance: Interest free Government loan funding available to the Public Sector for improving energy efficiency in buildings. With other funding streams secured and recommended for approval, this loan funding will be applied for to meet the remaining 50% required to complete the SEEP2 funded energy efficiency improvement works. A loan can be repaid over a period of 8 years, or such other period as agreed in the Salix loan application. Repayments are to be funded by efficiencies accrued from energy savings arising from the improvement works and the loan repayments will form part of any transfer negotiations.

3.3 Another element which is at an advanced stage is Big Lottery Funding. A funding application is being prepared by DPVMC to meet the cost of furnishing the building, including equipment required for community use. This funding will also meet the cost of legal and financial advice for the acquisition of the building, together with the cost of staffing and initial revenue outlay over the first five years of the project. This will include the cost of a project development officer in the first year whilst building works are undertaken. The funding is anticipated to be in the region of £500k and the Big Lottery Funding office has confirmed that DPVMC is at a sufficiently advanced stage to move forward to a full application for this funding.

3.4 The upgrading of the building through SEEP2 and RCGF funding will be carried out whilst the building is still under Council ownership and control, prior to any asset transfer.

Community Asset Transfer

3.5 Discussions with DPVMC continue in relation to the Community Asset Transfer (CAT) process. Part Five of the Community Empowerment (Scotland) Act 2015 which relates to asset transfer requests came into force on 27 January 2017. The interest in an asset transfer of 4 Duncan Place commenced prior to the Act coming into force. The Council's Community Asset Transfer policy was agreed by the Council on 27 April 2017 and DPVMC is preparing a Stage 2 Business Case submission in accordance with the policy. Once the Stage 2 submission is received in compliance with the Act, this will formally commence the asset transfer process.

3.6 DPVMC advise it will be in a position to proceed with this once its Big Lottery grant application has been submitted and is in the pipeline for consideration. Following advice from the Office of the Scottish Charity Regulator (OSCR), DPVMC, a Scottish Charitable Incorporated Organisation (SCIO), is making changes to its constitution so that it will be in the position to legally progress with a CAT. DPVMC has advised that it will likely be in the position to take occupancy of the Duncan Place property in September 2019 when the refurbishment works are scheduled to be completed.

3.7 Crucial to the success of the project is DPVMC's ability to have a positive cash-flow in the first few years. This would allow the organisation to be sustainable in the longer term and deliver the social outcomes in the area. It is proposed that this is delivered through a funding application to the Big Lottery referred to in paragraph 3.2. DPVMC have been in contact with the Big Lottery for a number of years and have successfully progressed through the multi stage process to the point where the final stage will now be applied for. This is a major piece of work requiring the submission of over 25 documents.

3.8 The Big Lottery has made it clear that any release of funds would be conditional upon the heritable interest being transferred. To assist with the application, Committee is requested to approve the transfer, in principle, subject to Big Lottery funding being achieved.

4. Measures of success

4.1 To date, successfully securing funding from RCGF and SEEP2 and attaining positive feedback on the likelihood of funding from the Big Lottery.

4.2 The establishment of a viable and sustainable community venture in the refurbished Duncan Place building that represents what can be achieved between the public and third sector collaboration.

4.3 The refurbishment of a listed building at risk.

5. Financial impact

5.1 There are no direct financial costs to the Council. While the refurbished building would be capable of producing a commercial rent, the funding detailed below would not have been available on that basis.

5.2 Funding has been achieved for renovation costs of £1.2m from the Scottish Government Regeneration Capital Grant Fund.

5.3 Funding has been achieved for 50% of energy efficiency improvements totalling £529,500 from Scotland's Energy Efficiency Programme Phase 2. Salix Funding for the remaining 50% of energy efficiency improvements is being applied for.

5.4 Big Lottery funding for the fit out of the building by DPVMC and first five-year costs anticipated at £500k has been applied for.

5.5 Detailed terms and conditions for the transfer of the asset will be reported to Committee at a later date.

6. Risk, policy, compliance and governance impact

6.1 There is a risk that the asset transfer does not take place, resulting in the Council having to develop alternative proposals for this building. This risk is mitigated by the refurbished building being a very marketable asset for lease.

6.2 There is also a risk that DPVMC will be unable to achieve Big Lottery funding and/or be able to fund the Salix loan repayments, which could expose the Council to a cost of £265,000. This risk is again mitigated by the fall-back scenario of the Council having a very marketable asset for lease.

6.3 There is a risk that when the asset is transferred, DPVMC do not use the building as intended. The risk will be mitigated by provision for the Council having pre-emption rights to claim the property back under certain circumstances.

7. Equalities impact

7.1 An Integrated Impact Assessment has been carried out.

7.2 A positive impact will result for many varied community and disadvantaged groups who intend making use of the building. Renovation and use of the building will enhance community engagement in the area. Negative impacts for the Council, community groups and other local groups would result if the project does not proceed.

8. Sustainability impact

8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account and are noted at Background Reading later in this report.

8.1.1 The proposals in this report will reduce carbon emissions because the energy efficiency improvements proposed to the building will lower energy consumption and reduce heat loss.

8.1.2 The proposals in this report will increase the city's resilience to climate change impacts because they will upgrade a historic building to modern standards allowing it to be reoccupied for years to come.

8.1.3 The proposals in this report will help achieve a sustainable Edinburgh because they will bring back into use a dilapidated historic building which will be used by the community to improve the social and economic wellbeing of local residents and businesses.

9. Consultation and engagement

9.1 DPVMC has consulted widely in the community with regards to the future use of the building. Proposed uses have been researched and communicated to the community with their views having been taken in to account. As part of the CAT Stage 2 Business Case Submission DPVMC are required to evidence that detailed community consultation has been undertaken. The outcome of this will be included in a report to Committee when the CAT is progressed.

10. Background reading/external references

10.1 Duncan Place Volunteer Management Committee: http://duncanplace.org

10.2 Education, Children and Families Committee, 6 October 2015, Item 7.13

http://www.edinburgh.gov.uk/meetings/meeting/3771/education_children_and_families_committee

10.3 City of Edinburgh Council CAT Policy, 27 April 2017, Item 8.4:

http://www.edinburgh.gov.uk/meetings/meeting/4178/city_of_edinburgh_council

10.4 Sustainable Edinburgh 2020 http://www.sustainableedinburgh.org/

10.5 Sustainable Design & Construction Policy Statement: https://orb.edinburgh.gov.uk/downloads/file/6413/sustainable_design_and_construction_policy_statement

10.6 Local Community Plan: https://www.edinburghnp.org.uk/neighbourhood-partnerships/leith/about/leith-local-community-plan-2014-17/

Stephen S. Moir

Executive Director of Resources

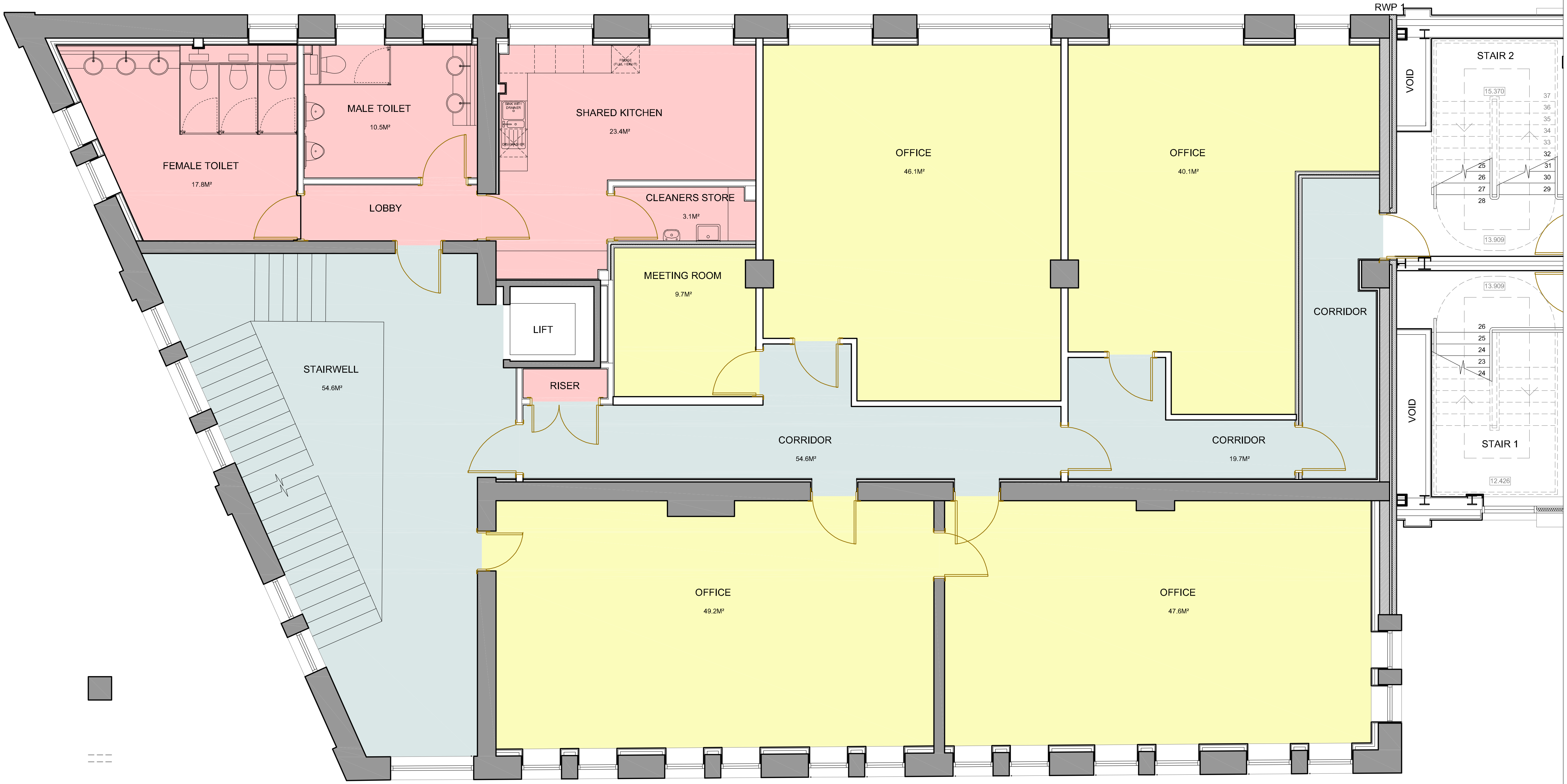
Contact: Craig Lamont, Senior Estates Surveyor

E-mail: craig.lamont@edinburgh.gov.uk | Tel: 0131 529 5983

11. Appendices

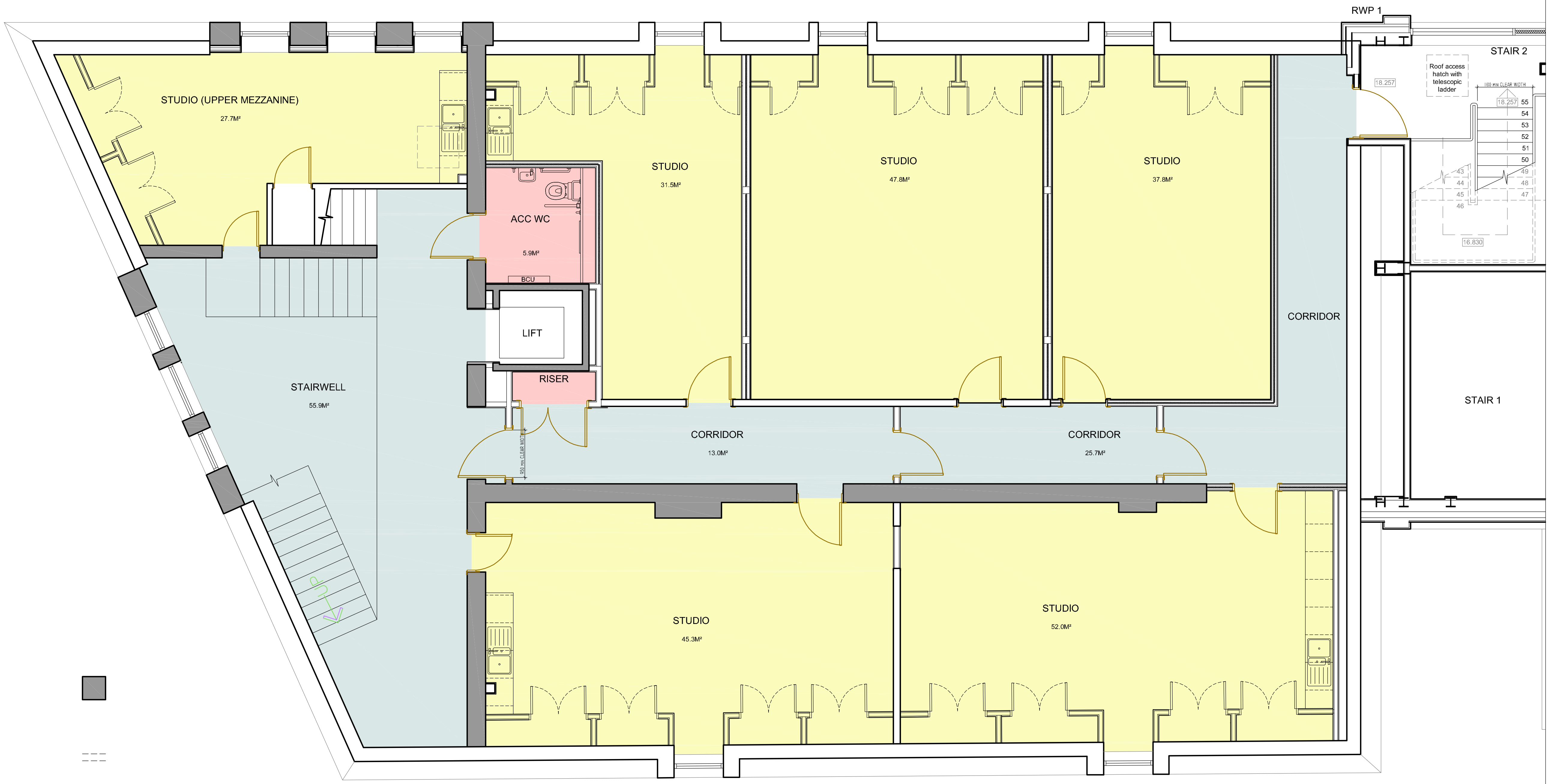
11.1 Appendix 1 – floor plans and image

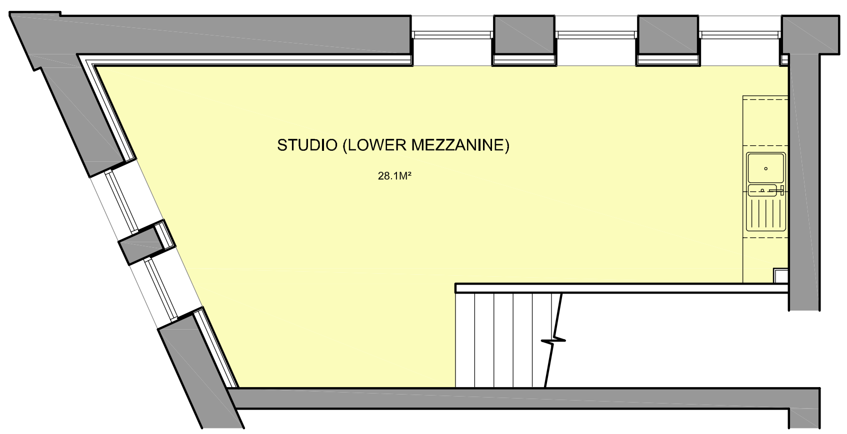

COMMUNITY
17.3M²
RECEPTION
10.0M²
OFFICE
7.2M²
COMMS
WC
2.3M²
ACC WC
5.9M²
COMMUNITY SPACE
32.5M²
COMMUNITY SPACE
62.4M²
STORAGE
15.0M²
KITCHEN/SERVERY
9.4M²
LIFT
RISER
STAIRWELL
42.7M²
CORRIDOR
CORRIDOR
54.6M²
COMMUNITY SPACE
49.2M²
COMMUNITY SPACE
28.5M²
BOOSTER
WATER TANK
PLANT
18.1M²
STORAGE
15.0M²
ENTRANCE
8.6M²
RAMP
RAMP
RAMP
STAIR
BICYCLE STANDS
MARKED ACCESS ZONE
DISABLED PARKING SPACE
PARKING SPACE
GROUND FLOOR



RWP 1
FEMALE TOILET
17.8M²
MALE TOILET
10.5M²
LOBBY
SHARED KITCHEN
23.4M²
CLEANERS STORE
3.1M²
OFFICE
46.1M²
OFFICE
40.1M²
STAIR 2
VOID
MEETING ROOM
9.7M²
LIFT
RISER
STAIRWELL
54.6M²
CORRIDOR
CORRIDOR
54.6M²
CORRIDOR
19.7M²
VOID
STAIR 1
OFFICE
49.2M²
OFFICE
47.6M²

FIRST FLOOR





SECOND FLOOR

VIEW LOOKING SOUTH WEST FROM LEITH LINKS

VIEW LOOKING NORTH WEST FROM DUNCAN PLACE

AERIAL VIEW LOOKING SOUTH WEST

NEW NURSERY AND GYM HALL, LEITH PRIMARY SCHOOL, EDINBURGH

Finance and Resources Committee

10.00am, Tuesday 12 June 2018

Proposed Lease – Panmure St Ann's, 6 South Gray's Close, Edinburgh

Item number	7.19
Report number	
Executive/routine	
Wards	Ward 11 – City Centre
Council Commitments	

Executive Summary

This report seeks Committee approval to lease the property at 6 South Gray's Close to NHS Lothian (NHSL) for a period of 20 years at a peppercorn rent, with an option to extend the lease by 10 years, for the provision of the Edinburgh Inclusive Homelessness Service (EIHS).

This report also seeks approval to utilise part of the premises for use by the Council for the provision of EIHS services.

NHSL will carry out refurbishment works to the property at a cost of around £2.98m and will meet the majority of the running costs.

Report

Proposed Lease – Panmure St Ann's, 6 South Gray's Close, Edinburgh

1. Recommendations

1.1 That Committee:-

1.1.1. Approves the lease of 6 South Gray's Close to NHS Lothian (NHSL) on the main terms and conditions outlined in this report, including leasing back part of the property to the Council for the provision of services in relation to the Edinburgh Inclusive Homelessness Service, with other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

2.1 The subjects of this report comprise the former Panmure St Ann's Special School, which ceased operating from the premises in June 2017.

2.2 It is now proposed to provide the new Edinburgh Inclusive Homelessness Service (EIHS) from the property through a lease to NHSL. The EIHS is a key service provided by the Edinburgh Health and Social Care Partnership for people affected by homelessness in the City. Several sites were considered for the delivery of this service, and it is considered that this central building offers the most appropriate accommodation and location.

2.3 NHSL will run the property and lease part to the Council for the provision of EIHS services, to allow relocation of Council staff from their current base at Leith Street, to deliver a single, consolidated location for the delivery of this service.

3. Main report

3.1 The following main heads of terms for the lease to the NHSL have been provisionally agreed:-

- Lease term: 20 years with a tenant break option at the end of year 10 and an option to extend for a further 10 years from the end of the lease.
- Rent: £1 per annum, if asked.
- Works: NHSL will carry out refurbishment works to be agreed with the Council, as landlord.
- Repairing obligations: NHSL will be responsible for repairs and maintenance.

- Insurance: The Council, as landlord, will insure the property and recover the premium from NHSL.
- Running Costs: NHSL will pay the majority of running costs (with a partial costs recovery agreement outlined below).

3.2 It has also proposed that the Council will occupy part of the premises to provide services in relation to the EIHS. The terms of this will be formalised in an occupation agreement.

3.3 The Council will occupy approximately 36% of the property but pay a minority share of the running costs (approximately 19%). In turn, NHSL will pay the balance (approximately 81%). This has been agreed in order to partially address the opportunity cost of rental income from the property (described in the financial impact below).

3.4 The final occupancy figures may change as the proposals for the service develop. The recently appointed EIHS Manager will work closely with NHSL and the Council to determine the detail of how the EIHS will be provided.

4. Measures of success

4.1 Formalising the use of the property for the EIHS to provide services to people affected by homelessness from a single location.

5. Financial impact

5.1 The opportunity cost of the estimated market rental for the property is approximately. £90,000 per annum. Once complete the Council will occupy 36% of the floor space and this will reduce the opportunity cost to approximately £57,500 pa. This will be offset by:-

- Net property cost savings to the Council of relocating the current Council service from Leith Street (approximately £23,400 per annum).
- Rental income from the vacated property at Leith Street (estimated at £50,000 to £60,000 per annum).
- The Council will benefit from the significant improvements to the property being carried out and funded by NHSL (currently estimated at £2.98m).

5.2 It is envisaged that the non-property related costs of providing the current service from Leith Street will transfer to the EIHS and remain largely unchanged.

6. Risk, policy, compliance and governance impact

6.1 The proposals will be considered by the Asset Investment Group of the Edinburgh Health and Social Care Partnership on 18 May 2018 and NHSL's Lothian Capital Investment Group on 31 May 2018.

7. Equalities impact

7.1 The proposal in this report to grant a lease of the building does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 The proposal in this report to grant a lease of the building does not have a significant additional impact on people, equalities, the economy and the environment.

9. Consultation and engagement

9.1 The appropriate ward members have been informed of the recommendations contained within this report.

10. Background reading/external references

10.1 None.

Stephen S. Moir

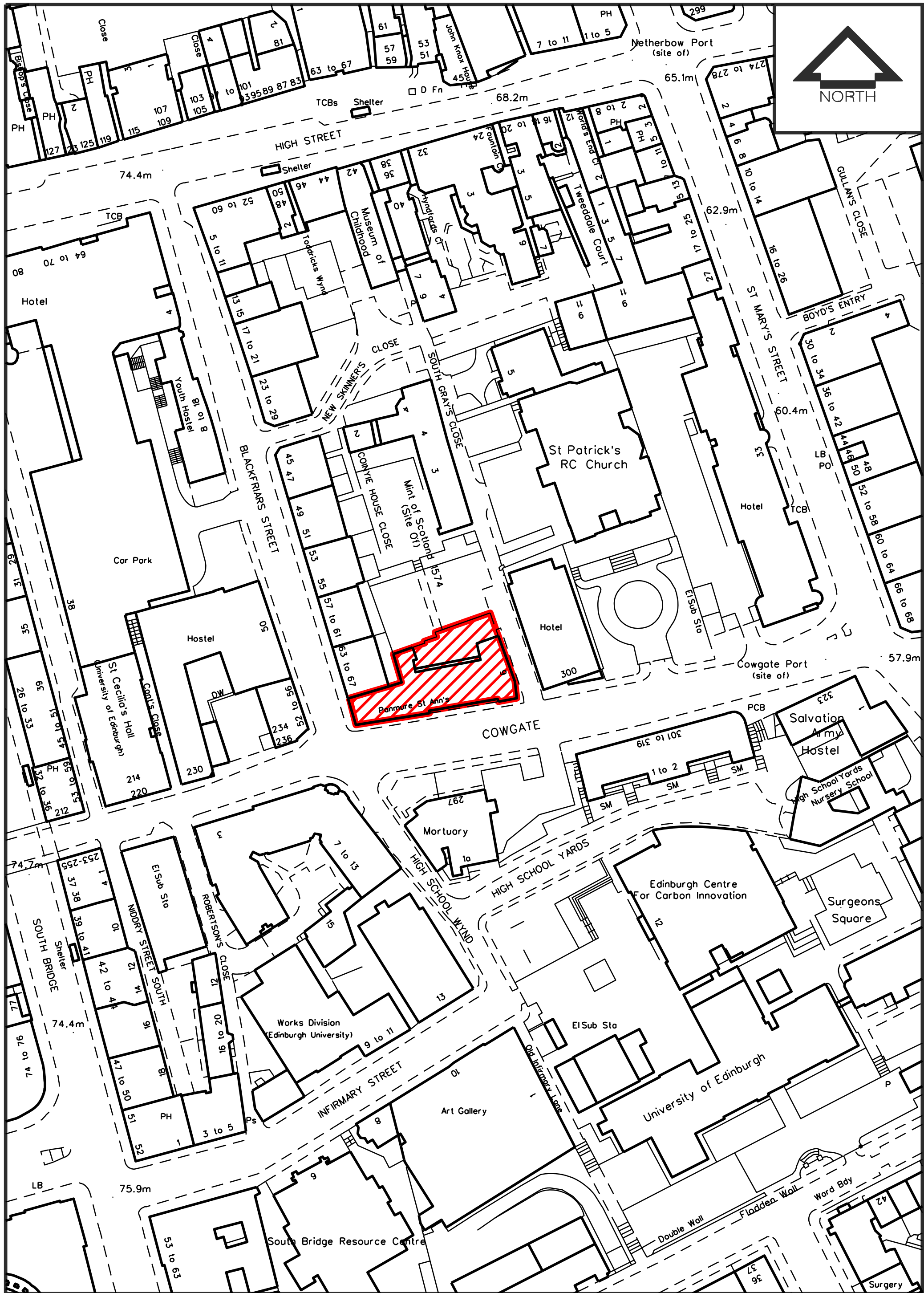
Executive Director of Resources

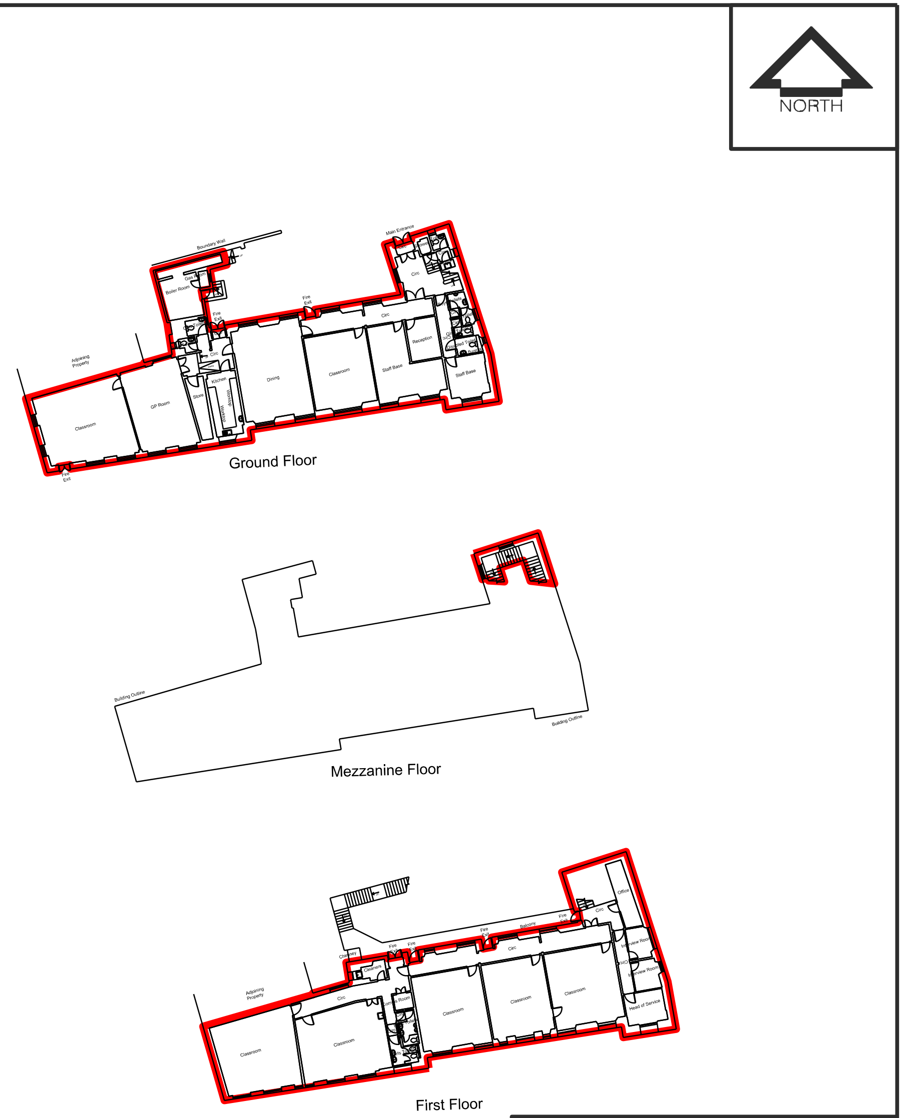
Contact: Veronica Ross, Senior Estates Surveyor

E-mail: veronica.ross@edinburgh.gov.uk | Tel: 0131 529 3159

11. Appendices

11.1 Appendix 1 – Location plan





EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT RESOURCES

PANMURE ST ANN'S SPECIAL SCHOOL
6 SOUTH GRAYS CLOSE
EDINBURGH

DATE	26/4/18
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1949

LOCATION PLAN — PHOTOGRAPHICALLY REDUCED NOT TO SCALE — SITE PLAN

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Land at Dewar Place/Western Approach Road – Proposed Disposal

Item number	7.20
Report number	
Executive/routine	
Wards	11 – City Centre
Council Commitments	C2, C3

Executive Summary

Land at Dewar Place, alongside the Western Approach Road, is owned by Scottish Power Plc who have agreed to sell the land to a development consortium.

On 27 March 2018, the Development Management Sub-Committee issued a minded to grant decision for a mixed-use development to include hotel, office, retail and restaurant uses along with a pedestrian bridge link over the Western Approach Road.

Scottish Power Plc are seeking to acquire a strip of land owned by the Council adjoining the site along with airspace rights over the Western Approach Road to allow the development to be completed in accordance with the planning application.

This report seeks approval dispose of the land to Scottish Power Plc on the terms and conditions outlined in the report.

Report

Land at Dewar Place/Western Approach Road – Proposed Disposal

1. Recommendations

1.1 That Committee:

1.1.1 Approves the disposal of 857 sq m at Dewar Place and airspace rights over the Western Approach Road to Scottish Power Plc 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 Scottish Power Plc own a site of 1.24 hectares (3.06 acres) which fronts on to the eastern side of Dewar Place and is flanked to the east by the West Approach Road. The site is currently occupied by an existing electrical sub-station with vacant land to the north east. The retained listed frontage of the electricity company's former offices lines the site frontage on Dewar Place.

2.2 Scottish Power Plc have entered into an agreement for the sale of the land to a development consortium to undertake a mixed-use development.

2.2 On 27 March 2018, the Development Management Sub-Committee issued a minded to grant decision in respect of an application for planning permission in principle for the development of a mixed-use scheme comprising hotel(s) (Class 7), office building(s) (Class 4), retail (Class 1), restaurant(s) (Class 3), pedestrian deck, and bridge link over Western Approach Road. The proposals include the partial demolition and refurbishment of the façade of the listed former electricity station on Dewar Place.

2.3 The Council retain ownership of a strip of land running alongside the development site as shown outlined in red on the attached plan. The land extends to approximately 857 sq.m (0.21 acres).

3. Main report

3.1 In order to proceed with the detailed planning application and complete the development Scottish Power Plc has approached the Council to acquire this area of land for inclusion in the onward sale of their land to the development consortium.

In addition a request has been made for the air rights over Western Approach Road to construct the pedestrian link bridge. The area of the airspace rights is shown blue on the attached plan.

3.2 Following negotiations the following terms have been provisionally agreed for the sale of the land:

- Subjects: 857 sq m alongside Western Approach Road and airspace rights for pedestrian link bridge;
- Purchaser: Scottish Power Plc;
- Price : £450,000 inclusive of Council's reasonably incurred legal and surveyor costs; and
- Condition Detailed planning permission being obtained for the development which will allow Scottish Power to complete the sale of the site to the development consortium.

The Council's land, in isolation, has no alternative development value, therefore, the purchase price has been calculated on a pro rata basis on the price that Scottish Power will receive from the development consortium for the site.

4. Measures of success

4.1 The disposal will allow a significant development site within the city centre to be completed. This will include the creation of a new pedestrian link over the Western Approach Road which will improve connectivity in the area including Conference Square.

5. Financial impact

5.1 A receipt of £450,000 will be received in financial year 2018/2019 to the General Property Account.

6. Risk, policy, compliance and governance impact

6.1 There is a risk that detailed planning permission for the development is not obtained. In that scenario, the land would remain within Council ownership.

7. Equalities impact

7.1 The proposal in this report is for the disposal of a small area to land which will form part of a larger development. Therefore, it is not considered that this will have an additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues as a result of this report.

9. Consultation and engagement

9.1 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

Executive Director of Resources

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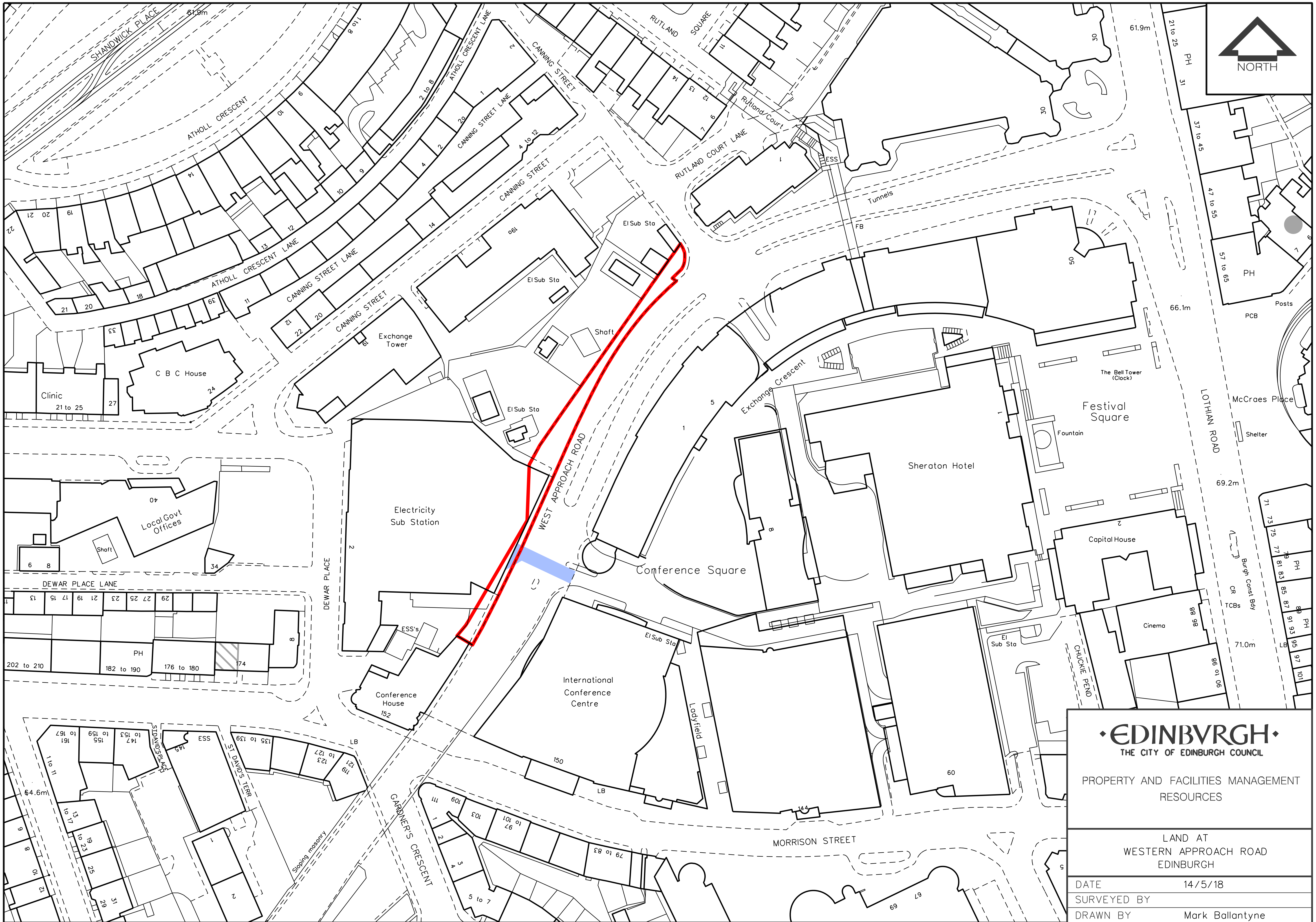
11. Appendices

11.1 Appendix 1 – Location Plan



·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL
PROPERTY AND FACILITIES MANAGEMENT RESOURCES

LAND AT WESTERN APPROACH ROAD EDINBURGH

DATE	14/5/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1960

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

Finance and Resources Committee

10am, Tuesday, 12 June 2018

National Care Home Contract – Outcome of Negotiations

Item number	7.21
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report sets out the results of national negotiations led by COSLA to determine the National Care Home Contract (NCHC) terms and conditions for 2018/19. Taking account of the responsibilities of the Integrated Joint Boards (IJBs), the COSLA negotiating team included representation from IJB Chief Officers and IJB Finance Officers.

The headline settlement reached is a 3.39% increase from 9 April 2018 to 7 April 2019 in the rates payable to care homes for 2018/19. For the City of Edinburgh Council, this equates to an increase of £0.8m in costs in 2018/19 for care homes based in Edinburgh, based on contract spend as at April 2018.

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Report

Name of report

1. Recommendations

1.1 The Committee is asked to:

- note and agree the baseline fee uplift of £0.8m (3.39%) for Edinburgh based care homes with effect from 9 April 2018
- note that any enhanced payments made to care home providers in 2018/19 will be made on the basis of demonstrated quality
- agree the Edinburgh concession to the NCHC as set out in the main report
- agree to apply a reduction of £25 per week on all rates for shared rooms.

2. Background

2.1 The rationale for developing a National Care Home Contract (NCHC) was to raise the quality of residential care for older people across Scotland and standardise the funding of placements

2.2 The NCHC has been signed by the owners of 43 private and voluntary sector care homes in Edinburgh. The remaining 6 homes, whose owners have chosen not to sign, primarily contract with people able to fund their own care and typically have little or no availability for Council funded service users.

3. Main report

3.1 NCHC negotiations were carried out within a difficult financial context with continued financial pressure faced by both providers and local government. Settlement negotiations were also used to deliver the commitment to pay the 2018/19 Scottish Living Wage rate of £8.75 per hour.

3.2 The headline settlement reached and agreed at a meeting of Council Leaders held in March 2018 was an uplift of 3.39% from 9 April 2018. All negotiating parties agreed that implementing the settlement and the Living Wage commitment is challenging and has required a substantive investment over the previous three years. Partnerships and Councils are committed to monitoring the impact of this commitment closely and will therefore consider ways to support good quality individual providers who may face local sustainability issues.

3.3 All other aspects of the contract including quality payments remain unchanged. The settlement also commits Partnerships and Councils to specific progress on the reform of the NCHC during 2018/19 including formal agreement of a Cost of Care Calculator and a dependency tool to support this.

3.4 There are four criteria for the various fee rates in 2017/18:

Nursing Care for Older People

	9 April 2018 – 7 April 2019
Fee level where National Care Home Contract (NCHC) is not signed	£638.83
NCHC fee level with reduced quality award	£669.73
NCHC fee level with the basic quality award	**£689.73**
NCHC fee level with basic and maximum Enhanced Quality Award	£692.73
Council spot purchase respite rate (NCHC rate, i.e. £689.73 / £692.73 plus up to a maximum 30%)	£900.55 (maximum)
Note: For all shared rooms: minus £25	

Residential Care for Older People

	9 April 2018 – 7 April 2019
Fee level where NCHC is not signed	£542.93
NCHC fee level with reduced quality award	£573.89
NCHC fee level with the basic quality award	**£593.89**
NCHC fee level with basic and maximum Enhanced Quality Award	£596.39
Council spot purchase respite rate (NCHC rate, i.e. £593.89 / £596.39, plus up to a maximum 30%)	£775.31 (maximum)
Note: For all shared rooms minus £25	

3.5 The Quality Assessment Framework is applied on the basis of the outcome of care home inspections. The Care Inspectorate will award a home one of 6 grades in respect of the following themes: quality of care and support, environment, staffing, and management and leadership.

Grade 1 = Unsatisfactory	Grade 2 = Weak	Grade 3 = Adequate
Grade 4 = Good	Grade 5 = Very Good	Grade 6 = Excellent

3.6 Where a home receives a grade of 3 or 4 it will receive the basic quality award.

3.7 To incentivise the provision of high quality care, nursing homes that receive a grade 5 or 6 in the quality of care and support theme and a minimum of grade 3 in all other areas will receive an additional £2 per week per resident (£1.50p in residential care homes). For both nursing and residential care homes, a further £1 per week per resident will be paid to homes that achieve a grade 5 or 6 for the quality of their care and support and a minimum of grade 5 in any one other category.

3.8 Where either a nursing or residential care home receives a grade of 1 or 2 in the themed area of quality of care and support, and where that care home has previously been graded at that level in that theme, £20 per week per resident will be deducted from the headline fee rate. In such an event, Council officers will make recommendations to the Chief Social Work Officer regarding the suspension of admissions to a care home while improvements are made or will recommend that service users be moved to alternative placements.

Edinburgh Context and Concession

3.9 One of the aims of the NCHC is to formalise the national agreement that third party contributions should not be required to meet the cost of delivering care to the standard required by the Care Inspectorate.

3.10 The City of Edinburgh Council made a concession to care home providers in 2007/8, on the inception of the NCHC, to allow care homes to continue charging third party contributions. There were (and continue to be) supply and demand issues in Edinburgh, which made implementation of the contract more difficult, and it was accepted the Council would take a pragmatic approach and focus on the spirit of the contract, rather than the letter. Some care homes make no additional charges. Where these are applied, they are subject to the agreement of a third party, usually a relative, who accepts responsibility for payment. On this basis, it is recommended that the Council and Edinburgh Health and Social Care Partnership continues with the concession for 2018/19.

3.11 CoSLA recommends the fee rate for shared rooms be reduced by £25 per week and this recommendation is supported for Edinburgh.

Future of the NCHC

3.12 The development of the NCHC has largely overcome the variation and complexity in the contractual relationship between the individual, the provider and the local authority, of which the then Office of Fair Trading was particularly critical prior to the establishment of the NCHC. The national arrangements have also acted as a buffer locally, allowing local authorities and care homes to work on issues around service design and quality, without the distraction of fee negotiations. However, the 2018/19 settlement commits Partnerships and Councils to specific progress on the continuing reform of the NCHC during 2018/19 which includes formal agreement on the cost of care calculator.

4. Measures of success

4.1 The NCHC provides a consistent framework for the purchase of care home places for older people by the Council and Edinburgh Health and Social Care Partnership.

5. Financial impact

5.1 NCHC related costs will increase by £0.8m in 2018/19 for homes located in Edinburgh. This is based on spending on care home places for older people at April 2018.

5.2 The Scottish Government settlement for local authorities for 2018/19 included provision to support the implementation of the living wage and other cost pressures. The Council passed this funding on in full to the Edinburgh Integration Joint Board (EIJB).

5.3 Following agreement being reached on the NCHC settlement for 2018/19 the EIJB has agreed a contribution of £0.8m will be made I to fully fund the agreed 3.39% uplift. EIJB will reflect this in the directions which are issued to the Council.

6. Risk, policy, compliance and governance impact

6.1 Report recommendations provide for the good governance of the NCHC in Edinburgh.

7. Equalities impact

7.1 This report has been assessed as having a positive equalities impact to the extent it provides clarity for service users eligible to receive financial support and their family members with regard to care home funding arrangements.

8. Sustainability impact

8.1 There are no sustainability impacts arising directly from this report.

9. Consultation and engagement

9.1 National contract negotiations are led by COSLA on behalf of local authorities; and by Scottish Care and the Coalition of Care and Support Providers (CCPS) in Scotland on behalf of their members.

10. Background reading/external references

10.1 Commissioning of Social Care, Audit Scotland, 2012

10.2 Joint Strategic Commissioning Plan for Older People, 2013

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Appointment of legal advisers - Waiver Report

Item number	7.22
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report seeks the approval of the Finance and Resources Committee for a waiver of Contract Standing Orders for the appointment of Ashurst LLP for the delivery of legal services in connection with the Edinburgh schools closures.

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THE CITY OF EDINBURGH COUNCIL

Report

Appointment of legal advisers - Waiver Report

1. Recommendations

1.1 The Finance and Resources Committee is asked to:

1.1.1. Approve the appointment of Ashurst LLP (Ashurst) for legal services provided to City of Edinburgh Council (CEC) in connection with the Edinburgh schools closures and the contract with the Edinburgh Schools Partnership;

1.1.2. Note that the nature of this service required the urgent appointment of legal advisors who were not conflicted with the various parties associated with the PPP relationship; and

1.1.3. Note that the total costs associated with this Waiver will be up to £1m.

2. Background

2.1 Emergency legal advice was required in relation to the PPP1 contract following the collapse of a wall at Oxgangs Primary School and the subsequent closure of a number of Edinburgh schools. It was decided not to instruct the original project lawyers due to a conflict of interest. Legal firms on the Council's framework with appropriate expertise in this specialist area were approached but none were able to act for the Council due to legal conflicts. In the emergency circumstances an off-framework firm who disclosed no such conflict was required to be appointed.

2.2 Ashurst were identified as a market leader in PPP advice and CEC was already an Ashurst client. Ashurst were therefore appointed in April 2016. To provide continuity Ashurst were retained through the Professor Cole report period and they remain as advisers in the relation to the project which is still in dispute.

2.3 A report to the Corporate Policy and Strategy Committee in May 2016 outlined for elected members that the Council was taking the necessary and comprehensive legal advice in relation to the school's closure matter. The report also stated that the Council was incurring significant costs relating to the closures and that it was intended that the Council would not be left footing the bill relating to all the costs incurred. In effect the costs incurred would be off-set against the deductions made from the monthly unitary charge from the Edinburgh Schools Partnership (ESP).

3. Main report

3.1 Ashurst have been appointed since April 2016 in response to the emergency situation caused by the Oxgangs Primary School wall collapse. Ashurst were an appropriately qualified firm who did not have a conflict of interest with the other parties involved with the PPP1 project. They have worked with the Council to ensure that the Council's legal position has been protected.

3.2 Ashurst were also able to identify and appoint a known and respected fire-safety expert (Olsson Fire and Risk (OFR)) at a time when such services were in high demand meaning that CEC have been able to ensure that the safety of pupils, teachers, staff and visitors was in accordance with the council's obligations. Ashurst and OFR have worked together in this regard and Ashurst took responsibility for appointing OFR and has organised the payments to OFR. Accordingly, Ashurst's fees have included sums paid to these technical experts.

4. Measures of success

4.1 To date rectification works have progressed at ESP's cost.

4.2 CEC continue to maintain a robust contractual position based, in part, on advice provided by Ashurst and OFR.

5. Financial impact

5.1 In summary the spend upon legal and technical support via Ashurst to date is in the sum of circa £620k.

5.2 It is considered prudent to plan for future spend up to the sum of £380k but may be more or less depending on the level of advice and matters, if any, which remain in dispute. It is hoped that a commercial settlement can be reached between the parties which will limit the need for the Council to incur further significant costs. However, the possibility of court action being required cannot be ruled out at this stage.

5.3 It is intended that these and other costs will be offset against deductions already made against ESP under the contract.

6. Risk, policy, compliance and governance impact

6.1 Due to the unique nature of the PPP1 issues, the possibility of using a Scottish based firm at very short notice was severely curtailed as a result of conflicts of interest.

7. Equalities impact

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

8. Sustainability impact

8.1 There is no sustainability impact arising from this report.

9. Consultation and engagement

9.1 None, due to the urgent nature of this requirement and the commercial sensitivity.

10. Background reading/external references

10.1 None.

Stephen S. Moir

Executive Director of Resources

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11. Appendices

None.

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Edinburgh Shared Repairs Service (ESRS) – Progress Report

Item number	7.23
Report number	
Executive/routine	**Executive**
Wards	**All**
Council Commitments	

Executive Summary

This report provides Committee with a progress update for the Edinburgh Shared Repairs Service (ESRS).

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THE CITY OF EDINBURGH COUNCIL

Report

Edinburgh Shared Repairs Service (ESRS) – Progress Report

1. Recommendations

1.1 It is recommended that the Committee:

1.1.1 Notes the update on Edinburgh Shared Repairs Service (ESRS); and

1.1.2 Scrutinises and is assured by the management information dashboard report in Appendix 1.

2. Background

2.1 The new ESRS was fully operational from 1 April 2017.

2.2 This report gives details of the progress of the service as at 25 April 2018.

2.3 The ESRS and Legacy Programme Board endorsed the recommendation made on 9 March 2018 to separate the update reports for ESRS and Legacy work going forward. This was to ensure that the focus on neither area of activity was lost, but that the positive progress made by the new service was not impacted by the residual legacy programme activities.

3. Main report

3.1 The total number of cases in ESRS has reached 107. All cases are tenement properties. Of the 107 cases, 3 cases are categorised as facilitation and will not reach the enforcement stage. Of the 104 remaining cases, 71 have been closed without enforcement, including 4 projects being rejected by the service for reasons relating to significant reputational or financial risk to the Council. This represents a 69% success rate where owners have taken the project back to arrange works privately, with the help of case officers to the value of £648,416. At present, 15 of the 104 cases are proceeding through the enforcement stage or have been completed. This represents 14% of all cases.

Panel Decisions

3.2 The project panel has taken a total of 31 decisions. The panel is required to make decisions at several stages in the process as below:

- to consider approval of a case in intervention to enforcement;
- to consider an application for a missing share; and/or
- to consider additional works in enforced projects.

3.3 A summary of decisions made is included in the management information dashboard in Appendix 1.

Advice and Information and Service Development

3.4 This area of the service is where customers initially make contact to request advice and information. The service offers advice on how the customer can progress repairs through the process outlined in the Tenement (Scotland) Act 2004 using the Tenement Management Scheme (TMS).

3.5 Case officers and customer advisors accept requests for assistance from private property owners on the process of arranging common repairs. Tenement Toolkits are sent to customers, which include detailed information on the process available to owners and also contain useful templates for letters, meeting minutes and voting forms. Since June 2016, 644 ‘Toolkits’ have been requested by tenement owners. The toolkit is now available to download from the website along with a new Missing Shares leaflet.

3.6 The ESRS manager has been invited to the meetings of the parliamentary working group on Maintenance of Tenement Scheme Property. The working group will consider any legislative changes, new initiatives, enhanced use of existing rules and/or further action by local authorities that could facilitate improved upkeep of Tenement Communal Property. The purpose of the working group is to consider and establish solutions to urge, assist and compel owners of tenement properties to maintain their property.

3.7 The issues raised to be considered by the working group are as follows:

- Owners association
- Sinking Funds
- Building inspections

3.8 Work is ongoing, with the support of the Council’s statutory Data Protection Officer, to review the possibility of the Council being able to share owner’s details whilst still complying with the legal requirements of relevant legislation. Owners trying to organise shared repairs often have difficulty finding the current contact details of their fellow owners. In most cases, the Council has access to this information, however historically the Council has been unable to share this. Discussions with Information Governance have indicated that there may be a possibility of allowing information to be passed on, subject to evidence that it is in relation to common repairs. The draft privacy impact assessment and a draft operating procedure has been reviewed by the Information Governance Unit and requested amendments are currently being made. Evidence of service requests in relation to enquiries for ownership information is being formally recorded by ESRS officers and logged. If this project is successful, it would be a beneficial improvement for all Councils and a welcome interim measure prior to the Parliamentary working group resolving this issue formally through legislation.

Facilitation

3.9 This area of the service is used when a customer has approached the service for assistance with defects on a property but, for reasons of financial or reputational risk, the service cannot assist at an enforcement level. The service can however assist the property owner in other ways; for example, corresponding with other owners at the property or contacting other Council service areas to help progress matters.

3.10 The service is facilitating in three cases at present including one locality Tenement Management Scheme case involving 13 blocks requiring render repairs.

Pre-intervention

3.11 There are currently 11 cases in the pre-intervention stage, wherein the service offers to act on behalf of the lead owner. The case officer will check liability, correspond with owners in relation to the reported defects, hold stair meetings where required and record votes for or against the repair. Case officers have met owners and offered advice on current cases.

3.12 The experience of the service is that the difficulties faced by owners are many and varied and often complex in nature. The service has been successful in assisting owners on most occasions without the requirement to enforce works therefore reducing the financial risk, where possible, to the Council.

Intervention

3.13 Intervention is actively undertaken following the identification of an essential repair, prior to taking a decision to enforce the repair. The objective is to support owners in taking responsibility for progressing the repair privately. Included in this area of work is verification of the defect reported, a site visit and tailored communication to owners including a mandate requesting confirmation from the owners in relation to their preference for the Councils involvement going forward.

3.14 3 cases are on-going with mandates issued to owners.

Survey Request

3.15 Under ESRS procedures, building surveys are carried out by the Council's Chartered Building Surveyors. The costs of the surveys are recovered from owners, if owners progress the works privately.

Missing Share Cases

3.16 On 5 September 2017, the Finance and Resources Committee approved the Council's use of the legislative powers under Section 50 of the Housing (Scotland) Act 2006 to pay funds into owners' maintenance accounts. This approval followed completion of the pilot scheme run by ESRS in which three cases tested the Missing Shares procedure.

3.17 There have been 10 missing share cases considered by ESRS. In 2 cases, the share was paid by the missing share owner prior to the application being presented to the Project Panel. This scheme has proved to be invaluable to owners who wish to undertake works privately without enforcement by the Council.

3.18 A table is now included in the management information dashboards to demonstrate the value of work enabled privately and the shares paid or due to be paid by the Council.

Successful Intervention / Cases closed

3.19 To date, the service has successfully intervened in, and closed, a total of 71 cases. A follow up is undertaken to check whether work has been carried out privately after three months has passed.

Private work enabled by ESRS

3.20 Case officers have gathered information from owners who have taken works on privately after requesting service from ESRS. The value of works confirmed by owners as having been completed privately, or in progress, amounts to £648,416. This is in addition to the value of works where the Council has approved to pay missing shares. The total value of works enabled by ESRS amounts to £1,196,789. The total financial commitment by the Council to date on these cases is £48,506, which will be recovered from liable owners.

The Enforcement Service

3.21 The enforcement service is activated when all intervention options have failed to provide a platform for owners to procure the works privately.

3.22 Upon project panel approval, the project will be allocated to the surveying team for progression in accordance with standard operating procedures. The procedures include carrying out a full survey, preparation of cost estimates, preparation of risk registers, meeting owners, issuing of the Statutory Notice, tender preparation including design and specification, tender approvals, award and contract administration of the project.

3.23 17 projects have been approved by the ESRS Panel to progress to the enforcement stage. These projects are being progressed at various stages. Two cases have been taken back by owners, with four projects complete and billed. Of the 11 open projects, four are on site and four are at the survey and cost estimate No.1 stage, while the remaining three projects are in the S24 or S26 Statutory Notice waiting period.

The Emergency Service

3.24 This part of the service intervenes when public health and safety is at risk due to unsafe buildings. The service will attend and carry out works to immediately make safe dangerous and emergency situations. The service is the first port of call for the emergency services (Police Scotland and Scottish Fire and Rescue Service) when they are dealing with situations such as fire damaged buildings, which require specialist surveying or structural engineering intervention.

3.25 The majority of service requests are for drainage related works in private property where Scottish Water has no responsibility.

3.26 The number of monthly service requests (SR's) has increased significantly since the last report. Over the three months to end April the service received 436 SR's compared with 306 SR's in the same three-month period last year. The amounts to a 42% increase in service provided. The number of Statutory Notices increased by 52% from the same period last year.

3.27 Over the last three months, the service has attended to 59 SR's in relation to masonry or roof defects where an owner or member of the public has notified the service of a suspected danger to the public.

4. Measures of success

4.1 To increase the numbers of owners carrying out common repair projects on their own property.

4.2 To continue to reduce the number of Council enforced projects to minimise both the financial and reputational risk to the Council.

5. Financial impact

5.1 The budget for the ESRS has been reduced to £0.99m for 2018/2019. The business plan approved by the ESRS and legacy Programme Board in December 2017 forecast a budget of £0.87m for 2019/20 and £0.85m for 2020/21.

5.2 The Management Information Dashboards include information on the Work in Progress (WIP), the level of debt recovery and bad debt provision for the service.

5.3 The bad debt provision for ESRS has been re-assessed at year end and amounts to £59,955. This assessment includes all debt for both the emergency and enforcement services from 2014-18.

5.4 On 22 February 2018, the Council approved the revised fees and charges for the provision of the Emergency Service. This will show a more open and transparent charging method.

5.5 The approved fees and charges include property officers and a manager hourly time charge and an administration fee of 10%. The reduction of the subsidy required for provision of the emergency service has been forecast at approximately £100k as a result of the new fees and charges.

6. Risk, policy, compliance and governance impact

6.1 This area of work represents a financial and reputational risk for the Council.

7. Equalities impact

7.1 There is no equalities impact arising from this report.

8. Sustainability impact

8.1 There is no adverse environmental impact arising from this report

9. Consultation and engagement

9.1 Not applicable.

10. Background reading/external references

10.1 Report to City of Edinburgh Council, 12 February 2015, Shared_Repairs_Services_-Development_of_a_New_Service.

10.2 Report to City of Edinburgh Council 11 December 2014, Shared_Repairs_Services_-Development_of_a_New_Service

10.3 Edinburgh Shared Repairs Service – Missing Share – report to Finance and Resources Committee, 5 September 2017

Stephen S. Moir

Executive Director of Resources

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11. Appendices

11.1 Appendix 1 – Management information dashboard.

Appendix 1 - Edinburgh Shared Repairs Service Dashboard - April 2018

Monthly progress update (for reporting purposes month end is 25 April)

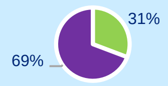
ESSENTIAL WORKS SERVICE

Total number of cases has reached **107**. The workload currently consists of 32 open cases with 72 closed with successful intervention or fully paid enforced projects. The ESRS Panel has rejected five cases after it was considered that the financial or reputational risk was too high for the Council to accept. **644** Tenement Toolkit packs have been issued to owners since June 2016. **14** tenements have requested toolkits in April. Projects where an S26 Statutory Notice has been issued = 10

EMERGENCY SERVICE

The emergency repairs service requests remain high and show a 42% increase from the same period last year. **146** requests for service recorded this month resulted in a contractor being instructed to make safe a drainage or building defects. **135** instructions were drainage related whilst the remaining **11** calls were reports of masonry or roof defects. Advice and information was provided to customers who called to report defects which did not meet the service emergency criteria.

Case Status (Sep 15 – Apr 18)

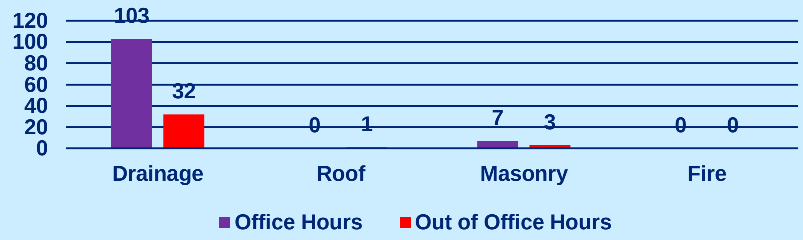


CASE WORKLOAD PROGRESS		NO.
Facilitation:	• Advice and Information only	3
Missing Share:	• Case Open	4
Intervention:	• Pre-Intervention	11
	• Intervention	3
	• Surveys	0
	• Successful Intervention / Closed Cases	71
Enforcement:	• Site Survey / S24 Notice / S26 Notice	5
	• Procurement	2
	• Projects On Site	4
	• Projects complete	3
	• Projects complete and Fully Paid - closed	1
	Total Number of Cases	**104**

ESRS PANEL DECISIONS RECORD	APPROVED	REJECTED	TOTAL
Missing Share	8		8
Enforcement	17	5	22
Enforcement – Additional Works During Project	1		1
TOTAL	26	5	31

EMERGENCY SERVICE WORKLOAD	Feb 18	Mar 18	Apr 18
No. of service requests (Site Visits)	134	156	146
No of emergency repair inspections resulting in statutory notices issued 31(4)	91	124	120
No of drainage repairs resulting in statutory notices issued 31 (1) & (3) - (Complex)	1	0	1

Number of Service Requests
26 March to 25 April 2018



KEY PLANNED ACTIVITIES

A communications plan has been developed with colleagues in communications to be rolled out over the next year. The 2018 campaign is on-going with Social Media posts and leaflets. The spring campaign will feature Missing Shares.

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ESRS Essential Works Dashboard

Programme dashboard as at 25 April 2018

MISSING SHARES OVERVIEW					
PROJECTS	TOTAL OWNERS	VALUE OF PROJECT	AMOUNT OF MISSING SHARES APPROVED / IN PROGRESS	TOTAL MISISNG SHARE OWNERS	PAID / DUE BY CEC
Project A	21	£146,000	£7,133	1	£7,133
Project B	8	£28,500	£4,833 x 2	2	£7,104
Project C	4	£34,000	£8,500	1	£0
Project D	6	£3,900	£650	1	£650
Project E	4	£31,729	£9,576	1	£9,576
Project F	8	£22,344	£2,793	1	£0
Project G	16	£68,458	£4,278 x 3	3	£8,557
Project H	7	£102,615	£7,684 (unequal)	2	£7,684
Project I	15	£48,416	£3,228	1	£0
Project J	7	£62,411	£7,801	1	£7,801
TOTAL	96	£548,373	£69,867	14	£48,506

PRIVATE WORKS ENABLED BY THE ESRS		
PROJECTS WORKLOAD	VALUE OF WORKS (Inc VAT)	CEC FINANCIAL COMMITMENT
Successful Intervention	£648,416	£0
Missing Shares	£548,373	£48,506
TOTAL	£1,196,789	£48,506

ENFORCEMENT PROJECTS WORKLOAD	MAJOR	MINOR	ESTIMATED VALUE
1. Under £10,000		2	£10k
2. Under £50,000		5	£136k
3. Under £250,00	4		£326k
4. Over £250,000			
TOTAL (11 projects)	4	7	£472k

Customer Service Dashboard

Programme dashboard as at 25 April 2018

CUSTOMER CONTACT PROGRESS		NO.
Customer Contact:	• Sent Tenement Toolkit packs to owners	644

ALL CUSTOMER CONTACTS	Feb 18	Mar 18	Apr 18
Solicitors Enquiries	481	483	406
Phone Calls	608	534	608
E-Mails	267	150	278
Total Customer Contacts	1356	1167	1292

FORMAL CUSTOMER CONTACTS	Feb 18	Mar 18	Apr 18
FOI's	0	0	0
SPSO Enquiries	0	0	1
Stage 1 complaints	1	2	1
Stage 2 complaints	1	1	0

ESRS WEBSITE VISITS	
April 2018	3568

ESRS Risk Register

TOP 5 RISKS	MITIGATION	RAG
1. Unable to recruit suitable technical resource	Risk - Recruitment challenges result in appointment of technical staff without the required experience and/or expertise. Mitigation -Two successful recruitment campaigns undertaken. One new Surveyor and one new Customer Service & Finance Advisor have been appointed.	
2. CGI Finance System	Risk - Delay in changeover, lack of consultation with Finance & ESRS results in systems not meeting requirements. Mitigation - Consult with CGI to ensure that they are aware of requirements.	
3. Contractor Management of Framework KPI's etc	Risk - Lack of Contract Management of Framework Contractors leading to poor performance of contractors and reputational risk to CEC. Mitigation - to be carried out by a staff member now recruited into ESRS structure.	
4. Alignment with Property and Housing strategies	Risk - The SOP are drafted without due consideration for the policy and procedures in other areas of P& FM and Housing, leading to conflict with the Council's overall housing strategy. Mitigation - Procedural documents have been shared with relevant directorate staff. ESRS Board includes Housing colleague.	
5. Implementation of IT Architecture for ESRS processes.	Risk – IDOX has completed the contract to improve the current case management system to implement a task based system. This project is on-going with management reporting tools still to be tested. Mitigation – IDOX have carried out this work. Teething issues being resolved.	

ESRS Finance Dashboard

Programme dashboard as at 25 April 2018

Debt Recovery

OVERVIEW OF PROGRESS
The overall collection rate for Enforcement works is at 81%. Of the outstanding balance, £15,155 is currently being collected through instalment plans.

BILLING AND PAYMENT INFORMATION

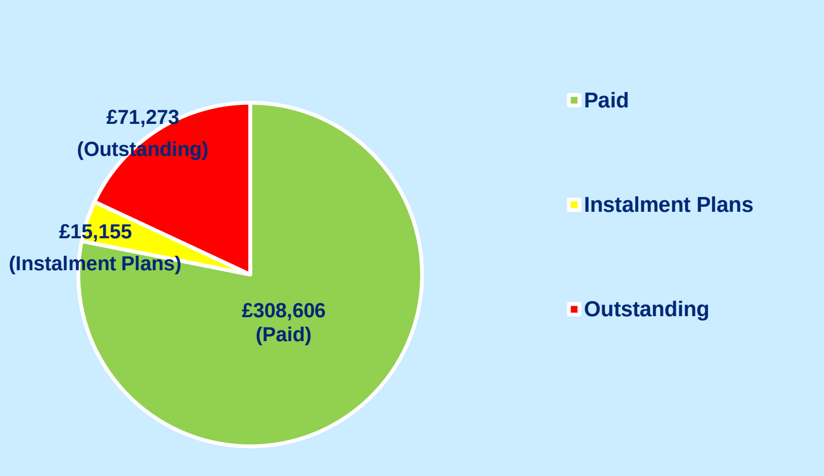
	NO OF PROJECTS	BILLED	PAID	INSTALMENT PLANS	INHIBITIONS	BALANCE
Enforcement	4	£363,791	£302,165	£7,447	£0.00	£54,179
Missing Share	4	£27,258	£2,456	£7,708	£0.00	£17,094
Survey Charge	3	£3,985	£3,985	£0.00	£0.00	£0.00
TOTAL	11	£395,034	£308,606	£15,155		£71,273
OVERALL BAD DEBT PROVISION FOR ESRS (2014-18)						£59,955

EMERGENCY WORKS

Total value of invoices issued for emergency repairs in 2016/17	£400,808
Total value of invoices issued for emergency repairs and Call Out Fees in 2017/18 (Apr 17 to Mar 18)	£349,707 (Current collection Rate is 74%)

ESRS - All Projects Overview

Total Billed - £395,034



Work In Progress (WIP)

OVERVIEW OF PROGRESS
The WIP this month includes costs for Essential works Projects and includes Consultant costs not yet billed. Invoices are issued within four months of Project completion.

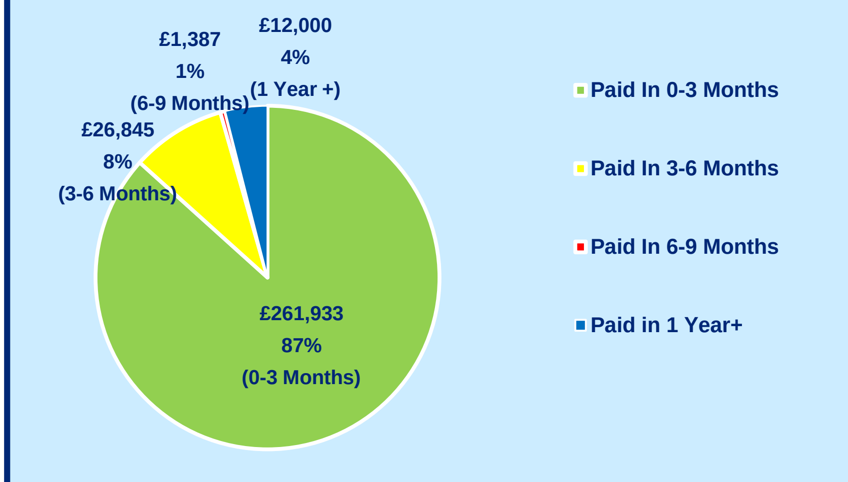
ESSENTIAL WORKS WIP

Overall position	Feb 18	Mar 18	Apr 18
Value of Payments to Contractors	£0k	£0k	£0k
Value of Invoices issued to Owners (excluding project management fee)	£0k	£0k	£0k
WIP	£8k	£8k	£22k
* Contractors retention cost still to be incurred	£6k	£6k	£2k

Debt Recovery (Speed of Payments)

Speed of Payments for Enforced Projects

Total Paid as at 25th April 2018 is £302,165



Finance and Resources Committee

10.00am, Tuesday 12 June 2018

Expansion of Early Learning and Childcare from 600-1140 hours by 2020 – Current Progress and Next Steps - referral from the Education, Children and Families Committee

Item number	7.24
Report number	
Wards	All

Executive summary

The Education, Children and Families Committee on 22 May 2018 considered the attached report by the Executive Director for Communities and Families providing an update on the expansion plan towards delivering 1140 hours of Early Learning and Childcare to all eligible 2, 3 and 4 year olds by August 2020.

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

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Terms of Referral

Expansion of Early Learning and Childcare from 600-1140 hours by 2020 – Current Progress and Next Steps

Terms of referral

1.1 On 22 May 2018, the Education, Children and Families Committee considered the attached report setting out proposals for expanding the delivery of 1140 hours of Early Learning and Childcare to all eligible 2, 3 and 4 year olds by August 2020.

1.2 City of Edinburgh currently had a baseline revenue budget of £30m to deliver 600 hours of Early Learning and Childcare. Revenue funding for 2018/19 had now been confirmed and Edinburgh had been allocated a total of £5,420,242 to meet the cost of delivering the expansion.

1.3 The capital costs of the Council's Early Learning Childcare Expansion Strategy had been estimated at £39.4m. A bid for this funding had been submitted to the Scottish Government but notification of the agreed allocation had not yet been received.

1.4 The Education, Children and Families Committee agreed:

1.4.1 To note the progress made towards 1140 hours.

1.4.2 To approve the increase in the hourly rate paid to partner providers from £3.70 to £3.80 from August 2018 to enable them to continue to sustain the delivery of early learning and childcare to approximately 40% of Edinburgh's children.

1.4.3 To approve the increase in the hourly rate from £3.70 to £5.31 for a small number of partner providers (up to 100 children) to allow them to pilot the 1140 provision.

1.4.4 To note that the proposed capital investment plan as outlined in the report was subject to the availability of funding from the Scottish Government.

1.4.5 To note the intention to progress design and investigation work for new Early Learning and Childcare facilities.

1.4.6 To note the intention to progress informal consultation with affected communities.

1.4.7 To note the risks as outlined in Section 6 of the report in particular the significant challenges in the Council's ability to deliver the expansion from 2020.

1.4.8 To note the intention to return a report on the finalised plan to Education, Children and Families Committee in August 2018 following the recent announcement of the multi-year revenue and capital funding by the Scottish Government.

1.4.9 To refer the report to the Finance and Resources Committee.

For Decision/Action

2.1 The Finance and Resources Committee is asked to note the progress being made towards implementing the Early Learning Childcare Expansion Strategy.

Background reading / external references

Webcast of Education, Children and Families Committee – 22 May 2018

Laurence Rockey
Head of Strategy and Insight

Contact: Lesley Birrell, Committee Services
Email: lesley.birrell@edinburgh.gov.uk | Tel: 0131 529 4240

Links

Appendix	Expansion of Early Learning and Childcare from 600-1140 Hours by 2020 – Current Progress and Next Steps– report by the Executive Director for Communities and Families

Education, Children and Families Committee

10.00am, Tuesday, 22 May 2018

Expansion of Early Learning and Childcare from 600 – 1140 hours by 2020. Current progress and next steps

Item number	7.12
Report number	
Executive/routine	
Wards	
Council Commitments	32

Executive Summary

This report provides an update on our approach to delivering 1140 hours of Early Learning and Childcare to all eligible 2, 3 and 4 year olds by August 2020. Our expansion plan will continue to be reviewed and adapted where necessary as we work with the Scottish Government in terms of funding allocations.

Report

Expansion of Early Learning and Childcare from 600 – 1140 hours by 2020. Current progress and next steps

1. Recommendations

1.1 Committee is asked to:

1.1.1 Note the progress made towards 1140 hours;

1.1.2 Approve the increase in the hourly rate paid to partner providers from £3.70 to £3.80 from August 2018 to enable them to continue to sustain the delivery of early learning and childcare to approximately 40% of Edinburgh's children;

1.1.3 Approve the increase in the hourly rate from £3.70 to £5.31 for a small number of partner providers (up to 100 children) to allow them to pilot the 1140 provision;

1.1.4 Note that the proposed capital investment plan as outlined in this report is subject to the availability of funding from the Scottish Government.

1.1.5 Note intention to progress design and investigation work for new ELC facilities;

1.1.6 Note intention to progress informal consultation with affected communities;

1.1.7 Note that this report will be referred to the Finance and Resources Committee;

1.1.8 Note the risks as outlined in Section 6 of this report in particular the significant challenges in the Council's ability to deliver the expansion from 2020;

1.1.9 Note the intention to return a report on the finalised plan to Education, Children and Families Committee in August 2018 following the recent announcement of the multi-year revenue and capital funding by the Scottish Government.

2. Background

2.1 The City of Edinburgh Council's Early Years Service currently provides 600 hours of funded Early Learning and Childcare to all 3-4 year olds and eligible 2 year olds. This is approximately 11,000 children.

2.2 Edinburgh has 216 settings providing funded Early Learning and Childcare. This is made up of 98 local authority and 118 partner provider settings. 17 local authority settings are open all year round and the rest are open term time only. Almost all partner providers are open all year round.

2.3 In October 2106, The Scottish Government launched 'A Blueprint for 2020 Consultation' which set out a vision for the expansion of Early Learning and Childcare (ELC) in Scotland which is underpinned by four clear guiding principles: Quality, Flexibility, Accessibility and Affordability.

2.4 The Scottish Government published 'A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland – Action Plan' in March 2017. This plan sets out the policy framework that will underpin the expansion. The Framework focuses on quality of provision, structures and capacity.

2.5 The Scottish Government allocated £1.7 million revenue and £2.5 million capital funding to Edinburgh to support the phased implementation of the expanded hours from August 2017.

2.6 Twenty five Local Authority settings now deliver 1140 hours ELC to families across the city and a further three settings deliver the increased hours through a blended model of nursery class and forest kindergarten provision.

2.7 The Scottish Government requested that all Local Authorities submit an Expansion Plan for 2020 by the end of September 2017. This plan along with the finance template outlining our estimated revenue and capital cost for the expansion was reviewed throughout October and November 2017. Following this review the Scottish Government requested that all Local Authorities submit a revised finance template by 2 March 2018.

2.8 Edinburgh currently has a baseline revenue budget of £30,000,000 to deliver 600 hours of Early Learning and Childcare. Revenue funding for 2018/19 has now be confirmed and Edinburgh has been allocated a total of £5,420,242 to meet the cost of delivering the expansion.

2.9 Following the agreement of the multi-year funding package, Edinburgh has been allocated a total recurring revenue of **£48,025,000** by 2021-22. This will be issued as a specific grant annually as follows 2019-20 **£26,019,000**, 2020-21 an additional **£17,035,000** and 2021-22 a further **£4,971,000.**

2.10 Edinburgh has been allocated a total capital funding of £39,480,000 to support the expansion. This is allocated as follows 2017-18 **£2,580,000,** 2018-19 **£12,400,000,** 2019-20 **£14,500,000**, and 2020-2021 **£10,000,000**

2.11 On 29 March the Scottish Government and COSLA published the **Early Learning and Childcare Service Model for 2020: Consultation Paper,** which sets out the Funding Follows the Child approach, and seeks views on the National Standard. The consultation can be accessed at: https://consult.gov.scot/children-and-families/service-model-for-2020.

3. Main report

Current Progress Towards 1140 hours by 2020

3.1 **Phase 1** of the expansion of early learning and childcare began in August 2017 with twenty five local authority settings offering 1140 hours to parents. Approximately 1050 children have access to the increased hours and uptake has been 87%. This uptake would be higher as due to demand we have had to cap the number of 1140 places in some settings.

3.2 Three additional local authority setting are offering access to the increased hours through a blended model with Forest Kindergarten provision. Children from Cramond nursery class and Clermiston nursery class are attending the forest kindergarten at Lauriston Castle. The grounds at Cliftonhall are also being used to deliver the forest kindergarten approach and children from Ratho nursery class are attending this in the morning or afternoon. Demand for the approach has been popular with 71 children attending a nursery class for part of the day and a forest kindergarten for the rest.

3.3 We have also piloted working in partnership with childminders to offer the increased hours to parents. In the North West of the city six childminders are supporting a blended model of provision with children attending a nursery class in the morning and a childminder in the afternoon. Another childminder is providing the full 1140 hours to one child.

3.4 We are in the process of evaluating phase 1 of the expansion and initial findings are positive. Staff have reported that children have benefitted from the increase hours through increased opportunities to build on their learning experiences. Parents have also benefitted and there are reports of some parents being able to start work as a result of having access to increased childcare.

3.5 The settings involved in phase 1 of the expansion initially found the delivery of lunches to a large number of children as one time challenging. However, support to manage this along with the provision of commercial dishwashers to save time, has led to a significant improvement.

3.6 The popularity of the additional hours has led to an increase in demand at settings where there has previously been a low uptake of places. The introduction of the criteria approved in the December report to Committee has enabled us to address this and ensure the provision of the additional hours is accessed by those who will benefit the most.

Next Steps towards 1140 hours by 2020

3.7 **Phase 2** of the expansion will begin in August 2018 and planning for this is in progress. In addition to the Phase 1 settings a further twenty one local authority settings are being considered to provide additional hours from August. Our aim is that a further 1,000 children will be able to access the additional hours in these settings.

3.8 We are also exploring phasing in the additional funded hours with our partner provider settings and aim to create approximately 100 places where the additional funded hours can be accessed. Our criteria for approaching partner providers will focus on settings that are currently providing subsidised childcare, in close proximity to local authority phase one settings and provide a balance of access to the increased hours across each locality in the city.

3.9 To support the delivery of the expansion, we will require a significant increase in the early years workforce. We will build on our successful approach to 'growing our own' workforce through Edinburgh's Early Learning and Childcare Academy (EELCA) and the next cohort recruited to our training programme will increase from 30 to 90 Modern Apprentice and Trainee Early Years Practitioners from August 2018

3.10 To further increase our workforce to the levels required we will procure external training providers to provide more qualification routes to a career in early learning and childcare in Edinburgh.

3.11 The Scottish Government has committed to funding an additional graduate in early years settings within areas of high deprivation. Edinburgh has been allocated 20 full time graduates to be in post by August 2018.

Early Years Capital Investment plan

3.12 Demand for early years places (local authority and partner providers) across the city has been assessed on a cluster basis using non-denominational high school catchment areas. The projected demand for places is based on:

- Catchment birth data;
- Uptake of early years places for three and four year olds in local authority and partner provider settings;
- The estimated percentage of eligible two year olds in SIMD declie 1 and 2 in each cluster area;
- Housing data from the Council's Housing Land Audit and Delivery Programme 2017;
- National Records of Scotland (NRS) 2014 based Population Projections for Scottish Areas.

3.13 The capacity of the city's existing Early Years establishments to meet the projected demand has been assessed based on current management arrangements and available infrastructure. Table 1 (below) shows that within City of Edinburgh Council area there is a projected capacity shortfall of almost 3,000 places for 3-4 year olds and a shortfall of 360 places for 2 year olds.

Table 1: Existing capacity for 1140 and future places required.

Cluster (Locality)	Existing Local Authority Places		Partner Provider Funded Places for 3-4's	Places Required (2020)	
	2 year olds	3-4 year olds		2 year olds	3-4 year olds
Balerno (SW)	0	90	17	0	221
Boroughmuir (SE)	60	134	488	0	688
Broughton (NW)	45	300	297	136	738
Castlebrae (NE)	110	358	0	135	354
Craigmount (NW)	30	280	304	2	662
Craigroyston (NW)	60	150	127	164	464
Currie (SW)	0	110	139	0	421
Drummond (NE)	10	180	270	3	686
Firrhill (SW)	25	238	219	32	612
Forrester (NW)	23	270	30	34	514
Gracemount (SE)	0	70	36	85	213
James Gillespie's (SE)	70	364	448	8	869
Leith (NE)	60	240	82	152	646
Liberton (SE)	20	295	246	73	806
Portobello (NE)	0	240	287	44	653
Queensferry (NW)	58	170	161	13	503
The Royal High (NW)	15	150	431	16	720
Trinity (NW)	60	200	264	29	516
Tynecastle (SW)	60	220	181	65	599
WHEC (SW)	70	136	37	145	316
TOTAL	**776**	**4,195**	**4,064**	**1,136**	**11,201**

3.14 In order to address these shortfalls an expansion strategy for Early Learning and Childcare in Edinburgh has been developed. The aim of this strategy is to provide all current and projected eligible children with a place in a City of Edinburgh Council or partner provider establishment in their own cluster area or an adjoining cluster area.

3.15 Much of this shortfall may be met by changing the opening hours and management arrangements at existing facilities. Some of the shortfall may also be met by adapting existing facilities. However, a significant programme of new build will also be required. A summary of the physical expansion opportunities identified is contained within Appendix 1. Should this expansion plan be implemented the number of places available for three and four year olds and eligible two year olds would be sufficient to meet projected demand.

3.16 Delivering new and refurbished facilities by 2020 will be a significant challenge requiring swift design, procurement and construction processes. Accordingly, early design work and site investigations have been progressed. The Council have also opened discussions with representatives from the Scottish Government and the construction industry to identify the most appropriate construction methodologies. As all local authorities face similar pressures to deliver 1140 hours by 2020 there is a risk that resources, particularly within the construction industry, become stretched.

3.17 Early engagement with affected school communities has also begun and, while the Scottish Government have removed the requirement for local authorities to undertake a statutory consultation process to establish a nursery, it is the intention to undertake informal consultation with all affected communities

Funding

3.18 The capital costs of the Council's Early Learning Childcare expansion strategy has been estimated at £39.4m. A bid for this level of funding to the Scottish Government has been submitted and we are awaiting notification of our allocation.

3.19 In preparing its bid the Council has sought to address the eligibility criteria for capital funding issued by the Scottish Government which are based on the principles of "make best use of existing assets, buy what you can, build what you need".

3.20 The cost metric rate for capital funding is expected to cover design and development costs, furniture, fixtures and equipment and landscaping. To achieve economies of scale, where a new building is required, two standardised nursery designs are being developed that meet the Council's operational requirements, regulatory requirements and the Scottish Government's ELC design guidance 'Space to Grow'. Settings linked to other developments will be taken forward as a bespoke design.

4. Measures of success

4.1 Overall progress measured using a suite of indicators within the Communities and Families Service Plan to ensure that our children have the best start in life, are able to sustain relationships and are ready to succeed.

4.2 Outcomes from Inspections from Education Scotland and the Care Inspectorate provide information on quality across the service.

4.3 We have achieved the Council's commitments 32 and 33.

5. Financial impact

5.1 All plans for Phase 1 and Phase 2 will be covered through the revenue funding of £5,420,242 allocated for 2018/19.

5.2 Following the agreement of the multi-year funding package, Edinburgh has been allocated a total recurring revenue of **£48,025,000** by 2021-22. This will be issued as a specific grant annually as follows 2019-20 **£26,019,000,** 2020-21 an additional **£17,035,000** and 2021-22 a further **£4,971,000.**

5.3 Edinburgh has been allocated a total capital funding of £39,480,000 to support the expansion. This is allocated as follows 2017-18 **£2,580,000,** 2018-19 **£12,400,000,** 2019-20 **£14,500,000,** and 2020-2021 **£10,000,000.**

5.4 Delivery plans will be reviewed to ensure affordability.

6. Risk, policy, compliance and governance impact

6.1 Approximately 40% of children entitled to funded early learning and childcare attend our partner provider provision. There is a level of uncertainty about future partner provision due to concern about the hourly rate they are paid to deliver an increase in funded early learning and childcare.

6.2 To enable us to address this and support the sustainability of our partner provider provision, we have included an increase in the hourly rate paid to partners within the finance template submitted to the Scottish Government. This will increase from £3.70 per hour to £3.80 per hour for 600 hour provision from August 2018.

6.3 We are proposing to increase the hourly rate to £5.31 per hour for 1140 hour provision. This will be piloted with a small number of partner providers in Phase 2 of the expansion during session 2018.

6.4 There is a risk that the guidance we received from Scottish Government delivery support team to devise our expansion plan estimates in our finance template may require us to provide models of delivery for the 1140 hours which will not be suitable for many parents to be able to access work.

6.5 Delivering the required infrastructure and the ability to recruit the number of staff within the required timeframe continue to provide significant challenges in the Council's ability to deliver the expansion from 2020.

6.6 The timescales to allow the delivery of new infrastructure are extremely tight and represent a significant risk to the Council's ability to provide the statutory 1140 hours to all children. In addition, the requirement to construct and refurbish Early Years facilities on the scale proposed – both within Edinburgh and at a national level – will place significant pressure on the construction market. Accordingly, the availability of resources to undertake the work and supply the necessary services and products also represents a significant risk to the delivery of the Council's Early Learning Childcare expansion strategy.

7. Equalities impact

7.1 All work within this area seems to address inequalities, both in terms of provision of resources and impact on outcomes for children and their families. There is no negative impact arising from these proposals.

8. Sustainability impact

8.1 There are no impacts on carbon, adaptation to climate or sustainable development arising from this report. These matters will be considered as part of planning, design development and in the implication of each phase of the expansion of the provision.

9. Consultation and engagement

9.1 Necessary consultation has been undertaken with key stakeholders in the development and delivery of the expansion. This includes an authority wide consultation with parents/carers, local authority and partner provider ELC settings and childminders. Consultation also took place in October 2017 with non-partner providers and sixteen have expressed an interest in coming into partnership; with the council. We will continue consultation throughout the expansion.

9.2 A Blueprint for 2020: The Expansion of Early Learning and Childcare – Scottish Government Consultation.

10. Background reading/external references

10.1 Children and Young People (Scotland) Act 2014

10.2 A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland

10.3 2017 National Improvement Framework and Improvement Plan for Scottish Education: Achieving Excellence and Equity

10.4 Building the Ambition: National Practice Guidance on Early Learning and Childcare

10.5 My World Outdoors: Care Inspectorate

10.6 Report to Education, Children and Families Committee: Early Learning and Childcare Strategy Report August 2017

10.7 A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland – Early Learning and Childcare Service Model for 2020: Consultation Paper.

Alistair Gaw

Executive Director for Communities and Families

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11. Appendices

11.1 Appendix 1 - Early Learning Childcare (ELC) Expansion Strategy

APPENDIX 1

Early Learning Childcare (ELC) Expansion Strategy

Make best use of existing assets

Nursery classes within primary schools account for 72% of City of Edinburgh Council's existing Early Years places and generally offer morning or afternoon sessions during term time. Additional hours to purchase are offered during term time where there is capacity to do so.

The opportunity to expand early years provision into the existing primary and secondary school estate is limited because of existing pressures on the school estate. Accordingly, the ELC expansion strategy has developed having regard to projected growth in the primary and secondary estate to ensure it does not compromise capacity at existing schools.

Operational Changes

The requirement to make the best use of existing assets will require a change to the Council's operational model, increasing the availability in some settings from term time only to all year round. Where possible, this will be restricted to settings in standalone buildings to avoid revenue costs associated with opening part of a school building all year round.

Refurbishments and small extensions

Some existing Council Early Years settings offer the opportunity to increase their physical capacity if ancillary facilities are upgraded, for example, by provision of additional toilets or baby changing facilities. The establishments in Table 2 (below) have been identified as facilities that offer such potential (subject to the completion of feasibility work):

Table 2: Establishments where refurbishment or extension is proposed.

Site	Secondary School Cluster (Locality)	Existing Capacity	Proposed Capacity
Dean Park Primary School Nursery Class	Balerno HS (SW)	60	88
Moffat Early Years Centre	Castlebrae HS (NE)	100	144
Forthview Primary School Nursery Class	Craigroyston HS (NW)	50	64
Abbeyhill Primary School Nursery Class	Drummond HS (NE)	40	64
St Leonard's Nursery School	James Gillespie's HS (SE)	60	64

St Peter's Primary School Nursery Class	James Gillespie's HS (SE)	30	40
Stanwell Nursery School	Leith Academy (NE)	60	72
Prestonfield Primary School Nursery Class	Liberton HS (SE)	30	64
Brunstane Primary School Nursery Class	Portobello HS (NE)	40	96
Canal View Primary School Nursery Class	WHEC (SW)	60	64

Buy what you can - Partner Providers

Partner providers offer the flexibility of 08:00-18:00, all year-round provision that most Council settings do not offer. Early Years officers have been working with partner providers to consider what additional contribution they may make to reduce the shortfall for places in Edinburgh. However, any changes that may be brought about by partner providers are likely to be limited and are largely outside the control of the Council. Accordingly, the ELC expansion strategy assumes the existing number of places provided by partners will be maintained.

Build what you need - New Early Years Establishments

In order to meet the requirement to accommodate projected demand for 1140 hours by August 2020, the Council will be required to make significant investment in new facilities.

The expansion strategy has focused developing new facilities on existing Children and Families assets and, in consultation with Strategic Assessment Management, other Council owned assets. Existing Children and Families assets have been prioritised because there are no ownership constraints, no land use constraints and, in some cases, educational benefits associated with transition from nursery to primary classes.

The Council's Edinburgh Design Guidance (October 2017) sets parking standards for new developments. The Council's parking standards for schools and nurseries require a maximum number of spaces for staff determined by the zone within the city the site is located in and the number of staff. There is no minimum requirement for parking provision and there is no requirement to provide car parking for pick up or drop-off. Accordingly, where it is located on an existing school site, in order to retain as much playground as possible for children attending the school and nursery, it is proposed that no additional car parking for staff will be provided as part of the ELC expansion. As an employer, the Council promotes active travel and will consider other means to mitigate any adverse traffic impacts from new development working with the Council's Active Travel Team.

School Sites

Table 3 (below) shows the schools which have been identified as sites that offer potential (subject to further consultation and site feasibility work) for ELC expansion:

Table 3: School Sites Identified for New Build Early Years Facilities

School	Secondary School Cluster (Locality)	Existing Capacity	Proposed Capacity
Ratho Primary School	Balerno HS (SW)	30	64
Granton Primary School	Broughton HS (NW)	60	128
Nether Currie Primary School	Currie HS (SW)	0	64
St Mark's Primary School	Firrhill HS (SW)	30	128
Carrick Knowe Primary School	Forrester HS (NW)	60	128
Craigentinny Primary School	Leith Academy (NE)	40	128
Gilmerton Primary School (Spinney Lane)	Liberton HS (SE)	60	128
St John Vianney RC Primary School	Liberton HS (SE)	30	128
Echline Primary School	Queensferry HS (NW)	30	64
Sighthill Primary School	WHEC (SW)	30	128

Relocation of Temporary Units

There are two temporary nurseries in the Early Years' Estate that need to be relocated following the completion of building works at Leith Primary School and Tynecastle Nursery School. The new settings are expected to be in operation for August 2018.

It is proposed the units are relocated to Craigmillar Early Years Centre and Sighthill Primary School. Both sites are in areas of change because of housing growth and/or potential changes to the wider school estate. Until there is certainty regarding the education and community facilities in the affected areas it is considered appropriate to increase provision in the short term with the temporary units.

Table 4 (below) shows new primary schools the Council has committed to build by 2020 that will include new ELC.

Table 4: New School Sites

School	Secondary School Cluster (Locality)	Proposed Capacity
New South Edinburgh Primary School	Boroughmuir HS (SE)	80
Leith Waterfront Primary School (Victoria Primary School)	Trinity Academy (NE)	80
Broomhills Primary School	Gracemount HS (SE)	80

South Morningside Primary School's Nursery Class currently operates from Fairmilehead Parish Church and it is expected the Council will not renew its lease when the new South Edinburgh Primary School opens.

Non-school sites

Table 5 (below) shows the Council owned non-school sites which have been identified as offering the potential (subject to further consultation and site feasibility work) to support for ELC expansion:

Table 5: Non-School Sites Identified for New Build Early Years Facilities

Site	Secondary School Cluster (Locality)	Current Capacity	Proposed Capacity
Gracemount Leisure Centre Pitches	Liberton HS (SE)	50	114
Northfield / Willowbrae (adjacent to the Community Centre)	Portobello HS (NE)	30	64
Kirkliston Leisure Centre	Queensferry HS (NW)	70	128

All of the sites above are designated as an outdoor sports facility in the Council's Open Space Map. Their loss is only likely to be supported through the Planning process if existing pitch provision is improved or the Council is satisfied there is a clear excess of outdoor sports facilities to meet current and future demand.

The Council's open space strategy, Open Space 2021, states a new Physical Activity and Sport Strategy is expected to be prepared to examine the capacity and demand for sports facilities across the city. The timeline and schedule for consultation has not yet been determined.

While there is evidence to suggest the above sites could be developed without detriment to the overall quality of provision across the city, the absence of an up-to-date Physical Activity and Sport Strategy that assesses the city-wide resource and need for outdoor sports facilities may compromise their development.

Expansion of services is also required in the Leith Academy and Royal High School clusters. The Leith cluster in particular is difficult due to the lack of feasible sites. Options within both clusters require more investigation, development and consultation before progressing further. However, given the demand for places in these areas and the requirement to provide 1140 by August 2020, options identified will require to be developed swiftly.

Coordinated development

The Council's Housing Development and Regeneration Team are taking forward and developing proposals for housing led redevelopment across a number of sites, some of which are adjacent to existing early years settings and offer the opportunity to develop mixed-use developments that include new early years settings with housing or other services, i.e. a library, or consolidate early years settings onto one site.

Table 6 (below) shows sites that have been identified offering potential for ELC expansion alongside other development (subject to feasibility studies):

Table 6: New Early Years facilities as part of other developments

Site	Secondary School Cluster (Locality)	Proposed Capacity	Notes
Muirhouse Library	Craigroyston HS (NW)	192	Mixed use development: library and nursery. Relocate Craigroyston EYC from Craigroyston HS to release secondary capacity.
Broughton Powderhall	Drummond HS (NE)	178	Mixed use development with Housing Development and Regeneration.
Calderglen Nursery	Forrester HS (SW)	128	Mixed use development with Housing Development and Regeneration.

Forest Kindergarten

The Council has established Forest Kindergarten as part of a blended approach to deliver 1140 hours with existing provision in nursery classes. Two sites, Lauriston Castle (NW) and Clifton Hall Independent School (SW) are currently being used to deliver 1140 ELC as part of a blended approach with Craigentinny Primary School, Ferryhill Primary School and Ratho Primary School.

The expansion strategy identifies sites to allow Forest Kindergarten provision to increase so that at least one is available in each locality.

For a site to be suitable for forest kindergarten it needs to offer year-round learning opportunities that meet all aspects of the curriculum. They also have to provide areas for shelter and places of safety during high winds. Accordingly, public parksand sites where millennium woodland has been created, are not appropriate because they do not provide year-round learning opportunities.

Table 7 (below) shows sites which have been identified as offering potential for ELC expansion through the and will be subject to further investigation:

Table 7: New Early Years facilities as part of other developments

Site	Secondary School Cluster (Locality)	Proposed Capacity	Notes
Clifton Hall	Balerno HS (SW)	30	Privately owned
Mortonhall	Gracemount HS (SE)	30	Privately owned
Hermitage	James Gillespie's HS (SE)	30	CEC Culture and Leisure
Meadow Field	Portobello HS (NE)	30	CEC Culture and Leisure
Cammo Estate	Royal High HS (NW)	30	CEC Culture and Leisure
Lauriston Castle	Royal High HS (NW)	30	CEC Culture and Leisure
Craiglockhart	Tynecastle HS (SW)	30	CEC Culture and Leisure

Finance and Resources Committee

10.00am, Tuesday 12 June 2018

Family Support Volunteer Service to Safe Families for Children Scotland - referral from the Education, Children and Families Committee

Item number	7.25
Report number	
Wards	All

Executive summary

The Education, Children and Families Committee on 22 May 2018 considered the attached report by the Executive Director for Communities and Families seeking approval to award a contract for the provision of the Family Support Volunteer Service to Safe Families for Children Scotland.

The report is referred to the Finance and Resources Committee for approval of the award of the contract.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Terms of Referral

Family Support Volunteer Service to Safe Families for Children Scotland

Terms of referral

1.1 On 22 May 2018, the Education, Children and Families Committee considered the attached report by the Executive Director for Communities and Families seeking approval to award a contract for the Family Support Volunteer Service to Safe Families for Children Scotland.

1.2 The contract duration would be for 36 months, with an option to extend for up to a further two periods of 12 months each. The total estimated value of the contract to the Council, including extensions, was £744,000.

1.3 Safe Families for Children Scotland were providing £38,500 of additional value through grant funding and other initiatives.

1.4 The Education, Children and Families Committee agreed:

1.4.1 To agree, in principle, to award the contract for the provision of Lot 2 Family Support Volunteer Service to Safe Families for Children Scotland 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.

1.4.2 To refer the report to the Finance and Resources Committee.

For Decision/Action

2.1 The Finance and Resources Committee is asked to agree the award of the contract for the Family Support Volunteer Service to Safe Families for Children Scotland.

Background reading / external references

Webcast of Education, Children and Families Committee – 22 May 2018

Laurence Rockey
Head of Strategy and Insight

Contact: Lesley Birrell, Committee Services
Email: lesley.birrell@edinburgh.gov.uk | Tel: 0131 529 4240

Links

Appendix	Family Support Volunteer Service to Safe Families for Children - report by the Executive Director for Communities and Families

Education, Children and Families Committee

10.00am, Tuesday, 22 May 2018

Family Support Volunteer Service to Safe Families for Children

Item number	
Report number	
Executive/routine	
Wards	
Council Commitments	C34

Executive Summary

This report seeks the approval of the Education, Children and Families Committee to award a contract for the provision of a Family Support Volunteer Service to Safe Families for Children. 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 July 2018. The total estimated value of the contract to the Council, including extensions, is £744,000.

Report

Family Support Volunteer Service to Safer Families for Children

1. Recommendations

1.1 The Education, Children and Families Committee is asked to approve the award of a contract to: 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 Edinburgh Integrated Plan for Children and Young Person's Services (2017-20) sets out our ambition that "Edinburgh is a truly child-friendly city, and that all partners will work together to achieve this."

2.2 As part of our ambition City of Edinburgh Communities and Families is committed to a shift in the balance of care to reduce the need for children and young people to be looked after and accommodated.

2.3 We wish 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.

2.4 We are aware that adverse circumstances facing parents and primary care-givers can have an impact on their ability to provide the optimum care, nurture, opportunities for safe play and positive experiences that all children need to develop their full potential. Periods of illness, personal loss or other life stresses impinge on all families. Extended family networks, friends and community supports play a vital role in supporting families at times of crisis. However, we are aware that some parents and carers are isolated from wider family support networks to help them and their children through times of crisis. Without support some parents and care-givers can struggle to meet the needs of their children leading to social work intervention and children becoming Looked After.

2.5 We wish 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.

3. Main report

3.1 During 2014 council officials and elected members were approached by Safe Families for Children UK (SFFC) a newly formed organisation in the UK. SFFC had adapted a model developed in the USA of recruiting, training and supporting volunteers to offer support and respite care to families in crisis and brought this to the north east of England. SFFC were looking for a pilot site in Scotland to offer support to families to prevent children becoming accommodated. During these discussions City of Edinburgh elected members and officers were keen to establish if this model could work in Scotland to support families and prevent the need for children to be accommodated. It was agreed that SFFC would begin to recruit volunteers in Edinburgh and accept referrals from social workers and health visitors in the south west of the city.

3.2 Prior to SFFC commencing work in the city social work managers examined the recruitment, selection and approval process that SFFC were using in England to ensure that this was both safe and appropriate. In Edinburgh we also uniquely put in place an agreement that a children and families social work manager would sit on the SFFC volunteer approval panel. This means that a CEC social work manager scrutinises all the application and assessment papers in respect of volunteers and has a say in who is approved and for what sort of role.

3.3 All SFFC volunteers go through a screening meeting, application form, training session, 3 references, PVG, assessment interview – the assessment interview is based on the competency framework which local authorities use to assess foster carers. The sections involve motivation; skills; ability to work in partnership; managing stress; applicant's parenting style and how they were parented – also capacity to reflect on that; how is their faith practically worked out and looking at how that would affect a placed child; experiences in their lives and health issues. Applicants can be challenged throughout this process. This material is drawn together and then presented to a panel including a social work manager from the City of Edinburgh council. Volunteers are then asked to sign a volunteer agreement before being finally approved and issued with an ID badge.

3.4 SFFC was launched in Edinburgh during October 2014. From 1 April 2015 SFFC were supported with a small grant of £33K per annum from the City of Edinburgh Council. All other funding that SFFC has sourced to cover costs in Edinburgh has been via charitable donations, most notably from the Vardy Foundation and the STV Children's Appeal.

3.5 During September 2016 SFFC prepared an impact report for the City of Edinburgh Council (appendix 1). At that point SFFC had received 89 referrals. SFFC class referrals from social workers where children are at risk of being accommodated as category 2 referrals. Referrals from social workers or other professionals for families in need are referred to as category 1 referrals. Of 89 referrals as of September 2016, 24 (27%) had been category 2. SFFC had matched 45 of these

89 referred families to volunteers which had benefited a total of 98 children and were in the process of matching a further 10 families to volunteers.

3.6 Feedback from social workers was very positive and included comments indicating that SFFC volunteer involvement had prevented children becoming accommodated and had significantly reduced risk to children who were registered on the child protection register. (appendix 2)

3.7 This early experience demonstrated that SFFC were able to recruit, support and train large numbers volunteers who were able to offer support including crisis respite care to families on the edge of care.

3.8 This experience of SFFC in the City of Edinburgh mirrored the experience of Nottingham who had been early adopters of SFFC in England. A review of cases in Nottingham (from July 2015 to July 2016) where Safe Families have been involved showed that there were **35 children who would have been accommodated** if they had not been supported through volunteer intervention provided by SFFC and that **SSFFC had reduced the flow of children in care by 12%** over that 12-month period**.** (see attached Appendix 3)

3.9 During 2015/16 Dartington Research engaged in an evaluation of the early work that SFFC were carrying out in England. This report concluded that "Early evidence from the programme in England suggested that it had the potential to support many vulnerable families at low cost, including a significant proportion of those children that were on the edge of the care system. This early evidence also found that:

- the programme did not evangelise on behalf of the Christian church
- the initial transfer of the programme from the U.S. to the North-East of England had realised a steady stream of volunteers
- the programme fitted well with local government's need to forge new relationships between public services and civil society
- the real benefit to local authorities would be in the potential to reduce the flow of children into foster and residential care
- the programme was scalable."

"The evaluation found that, no children in the intervention group entered care in the 6 month follow up period, (2 from the control group entered care and one was placed under a Special Guardianship Order). This suggests that Safe Families can divert cases away from the social care system. Data from the parental stress rating scales, SDQs, and interviews suggest that Safe Families volunteers can provide suitable support; that no harm had resulted to children, and the stress levels of carers had not increased as a result of the innovation. The focus on child protection was strong, and continued to improve. Carers and children supported by Safe Families as an alternative to coming into care appeared to be satisfied, although numbers were too low to draw any reliable findings."

3.10 During 2016/17 CEC officers began to explore ways in which we could finance an increased service from SFFC to allow the service to cover the whole of the city. Through discussion with finance and procurement officers we agreed that the CEC should explore the market to establish if any third sector agencies could provide a similar trained volunteer service to support families and offer overnight respite to children.

3.11 CEC officers had considered whether a similar service could be replicated in-house by the council for a similar or lesser cost but concluded that it could not for the following reasons: a) experience suggests that while the council has provided some services which included recruitment of volunteers, we have not been able to do so on a similar scale in the past and it would be better to build on the strengths and networks which are already being developed by the third sector b) the “on costs” of providing a council service are usually higher than commissioning from a third party c) we have not been able to recruit respite foster carers to the extent that would meet the needs of all the children who are referred as needing this form of care.

3.12 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.

3.13 An open tender was published on the 21 September 2017.

3.14 A summary of the tender process is provided at Appendix 4 of this report.

3.15 Two bids were received by the deadline of 23 October 2017.

3.16 The 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.

3.17 Two 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.

Provider	Quality	Price	Total
Safe Families for Children Scotland	48/70	29/30	77/100
Provider 2	21/70	30/30	51/100

3.18 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.

4. Measures of success

4.1 To date SFFC have supported 98 families in Edinburgh. 37 of these are families currently receiving support from SFFC. A unique service that SFFC supply is “hosting” which involves trained volunteers looking after children for a day or overnight. Since launching in October 2014 SFFC have provided the following number of “hostings”.

Year	Hosting Instances
2014/15	11
2015/16	49
2016/17	127
2017/18	114

These are instances which can mean a volunteer taking a child out every week as 1 instance or it may mean a family offering overnight respite. These numbers include 134 overnight stays in the homes of host families. To put this into perspective it is almost impossible for us to find respite foster carers for families on the verge of breakdown. Our Family Based Care (FBC) service finds it extremely difficult to recruit and maintain respite foster carers to support families in the community who are on the verge of breakdown or crisis. Respite foster care is almost entirely used to support existing foster carers have a break. These 134 nights provided by SFFC far outstrip anything we have ever achieved via paid foster care for families in the community.

4.2 Additionally, we have referred families to SFFC when a parent has absolutely no family support and has had to go into hospital. SFFC have then used volunteer host families to look after the children. SFFC have also been able to offer ongoing supports to these families. In the past we would have gone to the open market to buy in foster care, but that would have been temporary foster care only, usually outside the city, and we would not have had the ongoing support built in to these very isolated families that SFFC offer.

Year	Hosted 'Hospital'
2015/16	2
2016/17	5
2017/18	3

4.3 The awarding of the contract will allow SFFC to expand their service in the city to benefit families and children across the city. This will prevent family breakdown and lessen the number of children requiring to become accommodated in foster care.

5. Financial impact

5.1 The total estimated value of the contract to the Council, including extensions, is £744,000.

5.2 Safe Families for Children Scotland are providing £38,500 of additional value through grant funding and other initiatives.

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 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 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.

8.4 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

N/A

Alistair Gaw

Executive Director for Communities and Families

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11. Appendices

Appendix 1: Family Support Impact Report for Edinburgh City Council

Appendix 2: Family Support SW Comments

Appendix 3: Nottingham City Year 1 Report

Appendix 4: Summary of Tendering and Tender Evaluation Processes

Appendix 5: Volunteer Agreement and Code of Conduct

Safe Families for Children Scotland

Impact Report for City of Edinburgh Council

September 2016

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1. Introduction

This short report seeks to illustrate the impact that Safe Families for Children has made in Edinburgh since starting nearly two years ago. All data is taken from the Safe Families database which has been designed specifically for the charity and enables Safe Families to run a range of reports on referrals, support provided, volunteer recruitment and approval, and length of support. The Safe Families Team would be delighted to show CEC Officials how the database works and how reports can be run on a variety of data.

2. Background

Safe Families for Children Scotland was launched in October 2014 at the Claireany Christian Trust Exchange Conference. Originating in Chicago in 2003 Safe Families for Children is a volunteer led early intervention project that seeks to prevent children from experiencing neglect and abuse, to reduce the number of children entering the care system and to stabilise families in a time of crisis. Safe Families for Children Scotland is a registered charity (SCO45295) and is a partnership between Claireany Christian Trust and Safe Families for Children UK.

In the United States, Safe Families for Children has now grown to be a national charity working in 35 states and 65 cities with over 20,000 children benefitting. In cities such as Chicago most referrals for assistance are now coming to Safe Families before they are passed to statutory agencies. Along with a range of interventions this has led to a 50% decrease in the number of children being received into care in the Chicago area.

Across the UK, Safe Families for Children began in 2013. So far Safe Families in the UK have recruited 2776 volunteers from 556 churches, worked with 831 families, provided 1334 bed nights and impacted the lives of 2044 children. Safe Families in the UK are now working with over 20 Local Authorities across 6 'Hubs' which include Greater Manchester, Mersey, Midlands, North East, South Coast, Wales, and of course Scotland. Other Local Authorities have expressed interest in partnership working.

3. The Power of Prevention

The new report published by the Scottish Public Health Network in May 2016 entitled 'Polishing the Diamonds' helpfully outlines the devastating effects of Adverse Childhood Experiences (ACE's). The report shows that children who experience 4 or more ACE's are:

- almost 4 times more likely to smoke;
- almost 4 times more likely to drink heavily;
- almost 9 times more likely to experience incarceration; and

- some 3 times more likely to be morbidly obese.

Those with higher ACE scores were also at greater risk of:

- poor educational and employment outcomes;
- low mental wellbeing and life satisfaction;
- recent violent involvement;
- recent inpatient hospital care;
- chronic health conditions;
- having caused/had unintentional pregnancy aged <18 years; and
- having been born to a mother aged <20 years.

While responding to ACE is complex and long term, one of the key recommendations in the report for prevention is tackling social isolation, increasing community connectedness and building social capital. This is exactly what Safe Families does. It is a great example of the community responding to others in the community who need help in a time of crisis. We have recently linked a young 23-year-old mother with a retired Health Visitor. The support from the volunteer has enabled the young mother to successfully engage with services, and as a result of the volunteer providing some day hosting, the mum has been able to access work.

4. Safeguarding

Given the vulnerability of the families worked with, safeguarding is a key priority as demand for Safe Families grows and develops. We have developed Safeguarding procedures which are all contained in an Operational Manual. We recruit and train our volunteers carefully and they all need to go through the process of: application, PVG application or update, 3 personal references, volunteer training, assessment, approval panel and volunteer agreement. Only once all these steps are completed will a volunteer be matched to a family. Our Approval Panel always has external representation from the Local Authority Children and Families Social Work Team.

While Safe Families is a charity that seeks to recruit and deploy volunteers, it has qualified staff who oversee all aspects of safeguarding. In Edinburgh our Family Support Manager, Lyn Hair, is a very experienced social worker with over 30 years' experience. Lyn reviews all assessments and manages the Family Support Worker in Glasgow. The Scottish Programme Director for Safe Families is also an experienced social worker who has recently qualified from Strathclyde University with a post graduate Certificate in Social Work Management. The Safe Families for Children Scottish Board consists of the current Chairman (Robert Gordon) and Chief Executive (Iain Gordon) of Claireany Christian Trust, Rachel Tooth an experienced GP from Craigmillar, and Richard Vardy who is a local businessman.

5. Progress in Scotland

Over the last two years Safe Families in Scotland has worked with City of Edinburgh Council, Midlothian Council and Glasgow City Council. Safe Families are in discussions with other Local Authorities around Glasgow and Edinburgh about potential partnership working.

Safe Families currently receives funding from the City of Edinburgh Children and Families Service Grant scheme. This amounts to £33,000 per year (2016-2019) with an agreement that Safe Families will work with 23 families in 2016-17, 30 families in 2017-18, and 33 families in 2018-19.

6. Volunteer Recruitment

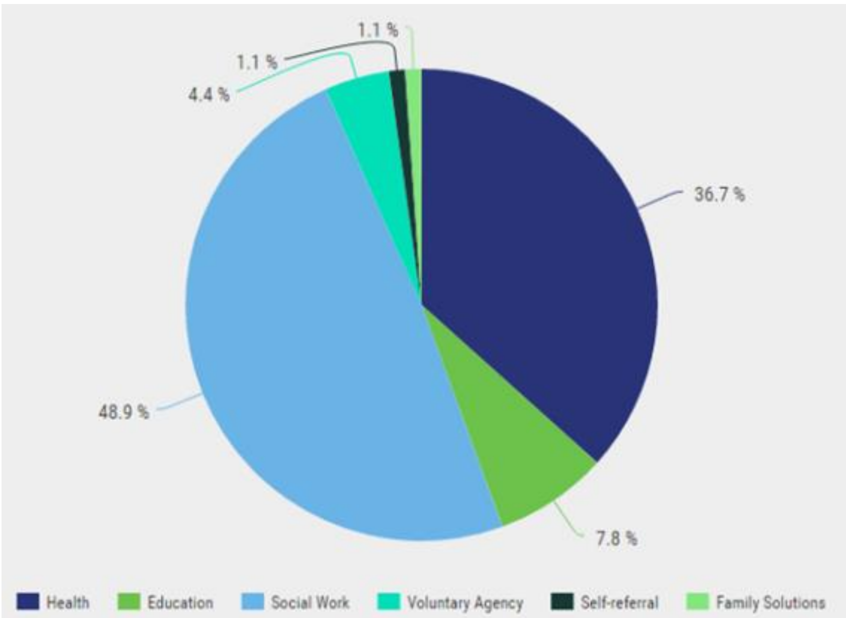
Volunteer recruitment has been mainly, although not exclusively, through churches. To date, in Edinburgh Safe Families have recruited and approved 67 volunteers with another 23 in process. This includes 27 Host Families, 32 Family Friends, 2 Family Coaches and 7 volunteers who are both willing to host and befriend families. We are also actively recruiting in Midlothian, and depending on the location of a referral, volunteers from Midlothian may be linked with Edinburgh families and vice versa. The Safe Families database enables the project to e-mail or message volunteers quickly when referrals are submitted.

7. Referrals

Since launching in October 2014, Safe Families in Edinburgh have received 89 referrals. All referrals are asked to outline the level of social care involvement including none, voluntary, Looked After at home, LAAC, and CPO. Safe Families would regard all referrals where there is no social care involvement or where social care involvement is voluntary as a prevention referral (Category 1), while all other referrals would be regarded as diversion or edge of care (Category 2).

Of the 89 referrals, 65 (73%) have been category 1 while 24 (27%) have been category 2. We have matched 45 of these 89 referrals to volunteers which have benefited a total of 98 children. We currently have another 10 referrals that have been assessed and are waiting to be matched. From the start of April 2016 we have matched and started to work with 10 newly referred families; we are linking a further 5 families; 11 are in assessment; and we have closed 9 cases. Based on these figures, we will have worked with the 23 agreed referrals before 30th September 2016.

As can be seen from the graphic below we are still receiving most of our referrals from Social Workers, but we are getting an increasing amount of referrals from Health Visitors and Head Teachers. It can be difficult to quantify interventions that are not yet known to social work, but as the case studies below indicate we believe the work of Safe Families is preventing many situations from becoming critical.



Over the last 2 years, 31 referrals have been closed without support for a variety of reasons: the situation has been resolved, support has been received from elsewhere, the situation has become too critical, the family cannot be contacted, no available resource, or the referral was inappropriate.

8. Impact

The majority of referrals to Safe Families in Edinburgh have been category 1 referrals (prevention). Many referrals are coming from health professionals (mainly Health Visitors) (37%) or increasingly from social workers on duty. We believe that the impact that Safe Families volunteers are having prevents many of these cases from further crisis and longer term social work intervention. We recently worked with an unallocated case where a mum walked into her local GP Surgery saying she could no longer care for her two sons (both of whom had ADHD). Volunteers are now taking the kids out at the weekends to give mum a break and the mum has not been back to the Duty Team.

Since starting in October 2014, the project has provided 42 bed nights in Edinburgh where children have stayed with a Host Family. Since April this year the project has started recording Day Hostings, and over the last 5 months we have provided 22 days again in Edinburgh.

A few months ago, we carried out a review of our work thus far and are continuing to improve how we monitor and evaluate the impact of the project. Recently Edinburgh has introduced an outcome framework based on the Shanarri outcomes, and we are seeking to incorporate elements of this in our assessment and evaluation process. Out of a sample cohort of families who we followed up, (i.e. have had questionnaires returned or have been working with the family for a significant length of time) we can report the following results:

60% reported a reduced risk of their children becoming 'looked after'
80% reported an increase in parental confidence
80% reported feeling less isolated and more socially connected
80% reported a reduction in parental stress
50% reported an increase parental skills
50% were reported an improvement in parent/child relationship

This is very encouraging and is evidence of Safe Families working toward stabilising families in times of crisis. The reduction of risk measure, primarily with responses from social work professionals, suggests that we are reducing the numbers of children going into care. None of the children we have worked with have gone back onto the Child Protection Register, in cases where they had previously been listed.

Currently we use a questionnaire for parents looking at the areas of social connectedness, parental resilience, parenting skills, support, and parent-child relating. This is complemented by asking referrers or other professionals involved with the family their assessment on these areas but also including a question on reducing risk. Another tool which has been recently introduced is Cantrill's ladder, which allows parents to rate themselves and can be used as a base line measurement as well as a review tool. Input is also received from attending Child Planning Meetings and Professionals' Meetings.

9. Feedback

Some of the more informal feedback we get from families can be really powerful. Here are few quotes and stories.

Jane Smith, one of the first mothers Safe Families worked with, said after several months of support that: 'I knew my son had something to look forward to, and I had something to look forward to. I started getting up. I started getting myself dressed every day. I got myself a job. At one point last year, I was in my bed all the time because I was feeling depressed. It brought me out of that.' Similar feedback, often unprompted, has been received from other parents who Safe Families have helped.

'This woman you've sent me is amazing!' Mary Brown said, after she received help with caring for her new-born baby and also legal help from her Family Friend. (See Case Study 6.)

Another of our Family Friend volunteers drove one of Emily Jones's grandchildren to and from his bereavement counselling appointments after his mother died. The Family Friend stopped by on Christmas day to drop off a present for the boy, and afterward, Emily told our Family Support Manager that 'he is such a nice man, so caring and thoughtful.'

With most of the families we work with, the impact goes beyond their positive relationship with the volunteer. When Gillian Harrower was referred to us, she wouldn't trust anyone taking her daughter overnight due to her history with domestic abuse. After a few months of getting to know one of our Host Families, our Family Support Manager asked Gillian how Safe Families for Children had helped her so far. 'I've learned to trust people again,' she said.

10. Conclusion

As Safe Families has grown and developed in Edinburgh, we believe we have had a significant impact on the lives of at least 45 families in Edinburgh. As our volunteer numbers grow we can increase our impact to reach more families in more locations across the city.

We now have an experienced and established team that is able to recruit, train, retain and deploy significant numbers of volunteers to work with more families than we are currently funded for through the CEC Children and Families Grant.

We believe that the work Safe Families is doing in Edinburgh is saving City of Edinburgh Council a significant amount of money. As the case studies below show, a number of LAAC placements have been avoided due to Host Families providing support; children have been removed from the Child Protection Register; Social Work cases have closed; and pressure on Social Work resources has eased considerably.

On the basis of the evidence in this report and in the Case Studies appended to it, we believe that the current level of funding allocated to Safe Families in Edinburgh is insufficient to meet the level of presenting need. We also believe that any additional funding allocated to Safe Families would return to the City of Edinburgh Council financial benefits in excess of the level of funding increase agreed in addition to the tangible physical, emotional, psychological, and social benefits experienced by the families supported by the project.

In the case studies below, the impact on families is evenly split between de-escalation of social work involvement and avoidance of LAAC placement. Even on the basis of these eleven cases, we estimate that the financial saving to City of Edinburgh Council is in excess of £100,000. This gives a savings to cost ratio of more than 3:1.

Further funding of Safe Families will yield similar levels of saving. An increase in annual funding from £33,000 to £100,000 will yield additional savings of over £200,000.

It is requested that on the basis of financial savings alone, City Edinburgh Council increase annual grant funding from £33,000 to £100,000 with immediate effect for financial years 2016/17, 2017/18, and 2018/19.

Appendix 1

Case Studies

The following case studies illustrate the impact the Safe Families involvement has had in the lives of children and families in Edinburgh. In each case study the main beneficial outcomes are highlighted. While it is not known to Safe Families the precise financial saving to City of Edinburgh Council in each case, it is hoped that it will be clear to City of Edinburgh Council readers the savings that have accrued to the Council and the significant saving to cost ratio of the project.

Savings will be dependent, in part, on the severity of need presented in each case; the greater the severity of need – the greater the potential saving. In determining severity of need and therefore cash saving, Safe Families assign referrals to one of two categories of need.

Category 1 or Category 2

Category 1 – problems emerging and escalating

Category 2 – edge of care or diversion from care

When deciding on which category to use, looked after (at home) would be considered edge of care as would kinship care, where Safe Families have been asked to support the kinship carer at a particular stressful time, thus helping to maintain the placement. Emergency involvement to help a family stay together while other plans are put in place would similarly be considered, as would step down from care or helping a rehab home package. Offering support when there is hospital treatment which means admission has also been counted.

Definition of 'edge of care'

While 'edge of care' is not defined on the current referral form, the referrer is asked to tick one of the boxes in this section:

Current level of social care involvement
☐ None ☐ Voluntary ☐ Looked after (at home) ☐ LAAC ☐ Kinship Care ☐ CPR

So far Safe Families in Edinburgh have had 24 Category 2 referrals, and we have gone on to offer support to 15 of these. These are the families we have worked with:

- Chalmers
- Jones
- Fraser
- McDonald
- Bell
- Roberts
- Watson
- Gemmell
- Harrower
- Findlay
- Hogg
- Gillespie
- Murray
- Townsend
- Day

- 3 of these were supporting kinship care – (Gemmell, Murray, Jones)

- 2 are looked after at home – (Bell, Roberts)
- 1 was overnight stay due to hospital admission – (Fraser)
- 4 were emergency support provided, 3 going on to longer term support – (Gillespie, Watson, Chalmers, Townsend)
- 1 was step down from care – (Day)
- 4 were support in rising concerns – 2 of these would be lower tariff but at point of referral problems could escalate very quickly – (Findlay, Harrower, Hogg, McDonald)
- We have two newer edge of care referrals, in assessment.

HF – Host Family; FF – Family Friend; RF – Resource Friend

Individual Cases

1. Parent/Carer: Chelsea Chalmers

Child/ren: Charlie Collins age 4
Poppy Collins age 3
Lorna Collins age 2

Category 2

Referrer: Social Work Team Leader and Health Visitor

Family Circumstances: Parents with three young children, two oldest had been accommodated for c. 18 months up until April of this year. Mother has three older children, all LAAC. Substance misuse and domestic violence are long standing concerns.

Reason for referral: Parents had disclosed illicit drug use in previous week on top of prescribed methadone and their relationship was strained. Father was asked to leave the home, and Chelsea was advised to get a supervised methadone script. Needing support to hold family together over the coming weekend, and to give Chelsea a break and help her get stable again. Serious consideration given to obtaining a CPO earlier in the week. If Safe Families hadn't got involved, children would very likely have been accommodated.

Service provided:
Two HFs provided day hosting for Charlie and Poppy on Saturday and Sunday over the weekend. Referral active again for longer term support.

Impact:
Immediate crisis averted and Chelsea given space to get her script established and supported to manage the implications of her partner not being around. Situation held well over the weekend. Children well cared for and had fun!

If we had not stepped in, the risks would have escalated and the children may well have needed to be accommodated as the family may well have found it difficult to comply with the plan put in place to avert the need for the CPO.

2. **Parent/Carer:** Trudy McDonald

Child/ren: Anne McDonald age 11
Rose McDonald age 10
Sara McDonald age 4

Category 2

Referrer: Children and Families Social Worker

Family Circumstances: Trudy has had mental health issues for many years. She had PND following the births of Rose and Anne, and continuing problems. She was being assessed for borderline personality disorder and had disclosed self- harm recently and also buying valium. Anne is being assessed by CAMHS for ASD, Rose has a learning disability, Ebs Palsy, ataxia and hypertonia. Sara is lively and gregarious. Trudy is on her own but has a partner. Previous relationships have been abusive and violent – Anne was a 'shaken baby', the perpetrator being Anne's Dad. The children were removed from Trudy's care at that point, but Trudy fought and worked to have them returned to her.

Reason for referral: Concerns over recent disclosure of self-harm and substance misuse, very isolated, although managing many appointments for herself and the children. To help Trudy talk, get her out of the house, and become more connected locally. Also to improve confidence in herself and her parenting.

Service provided: Family Friend, weekly visits, building up a relationship which helped Trudy focus on solutions and plans. Helping Trudy get out and about.

At the beginning of 2016 Trudy suffered a ruptured bowel, with subsequent septicaemia. She was gravely ill so the children were accommodated voluntarily with Trudy's sister. Safe Families introduced hosting to help support this placement once plans were clearer and help in the return of the children to Trudy. This hosting was for Anne and Sara. Anne is very anxious about overnight hosting so have concentrated on day time support. The Family Friend for Tracey is no longer needed, but hosting for children is ongoing.

Impact: Recent evaluation with Trudy showed improvements in areas such as confidence, family relationships and parenting skills. Trudy is in a much better place now, she has accessed services that support her with mental health consistently, she has repaired relationships with her family, notably her sister. Her physical health still causes concerns, but the self-harm is not evident now and she is much happier. Safe Families were part of a multi-agency plan to help Trudy manage her family and get to a point where she was coping with her mental health and accessing support for herself. The FF became an advocate for Trudy but the focus shifted after Trudy became ill. Our involvement released some of the pressure on the family enabling them to stay together.

3. Parent/Carer: Laura Gillespie

Child/ren: William Gillespie age 4
Caitlin Gillespie age 3

Category 2

Referrer: Community Nursery Nurse and Health Visitor

Family Circumstances: Laura is on her own with her children after separating from her husband. There have been a number of separations but this time he has left and has no communication with Laura or his children. Laura has few friends or family locally and has suffered with severe depression for some time.

Reason for referral: Laura has become very depressed recently, has emotionally withdrawn from her children and has been expressing suicidal and self-harm intentions. She feels very guilty over this. She needs support to help her manage her children who are expressing challenging behaviour to get her attention.

Service provided: Initially, weekend support through day hosting to give Laura a break and reduce the stress in the home. The initial referral came in after a week where professionals were very concerned as her mood was very low and she was expressing suicidal thoughts. During the week there is support from professionals and EYC. Safe Families provided this on emergency basis for a number of weeks and then put in place a Family Friend and Day hosting with the same family fortnightly. Emergency hostings from Sept 2015 – Jan 2016. FF from Jan 2016 and regular day hosting until June 2016.

Impact: Situation initially provided necessary support and helped Laura to get a rest, do shopping, and manage the weekends. FF support was short-term but the regular hostings at weekends helped get the children out and about, give Laura some space, and generally reduce risks. Family is still together, Dad has now asked for access and Laura seems to be coping with this.

Initially the emergency care provided at weekends helped monitor Laura, and reduce the stress in the family which in turn reduced risk of Laura breaking down or becoming angry with the children. The risks would have escalated, and the family could have been subject to CP procedures.

4. Parent/Carer: Natalie Watson

Child/ren: Katy Watson age 2

Category 2

Referrer: Social Work Team Leader and Health Visitor

Family circumstances: Natalie lives on her own with Katy in the Pilton area. She has a long history of chaotic substance misuse. She has three older children all accommodated. When pregnant with Katy, she began a recovery programme (substitute prescribing) and is now drug-free. She is very isolated and has difficult relationships with family.

Reason for referral: Since Katy's birth Natalie has relapsed twice. At the point of referral her CPN had been off sick and she had a recent bereavement. This had resulted in her relapsing again, but a plan is now in place to help with this. The referral came in just as the plan was starting asking for support over a weekend where it was felt the risk of her using was high. The request was for day hosting as Natalie is terrified of Katy being removed from her.

Service provided: Emergency day hosting provided over that first weekend However, have offered continued support through host family offered every second weekend with added support of the HF taking Katy out every Sunday to attend the local church. . Natalie has joined church Mums on swimming outings and picnics but hasn't quite made it to local MOPS group (parents' group).

Impact: Katy is still with Natalie, there has been no significant relapse and Natalie is accessing support with her substance misuse. There have been small steps in helping her engage more locally.

Initially the first weekend gave support which kept the family together as the increasing substance misuse was risky and would have led to CP procedures being initiated. Continued support has enabled the family to address these issues.

5. Parent/Carer: Anila Fraser

Child/ren: Ali Mohammed age 3

Category 2

Referrer: Self-Referral after being advised to do so by social worker.

Family Circumstances: Lone parent with three year old child living in Craigmillar. Originally from Pakistan. Came to England to study but under pressure from family married a British Asian man (in a Muslim ceremony). Marriage was difficult. There was domestic abuse – she lost a child through miscarriage reportedly after a DA incident. Fell pregnant again and husband left her. In immigration processes she has been assessed as having no recourse to public funds so receives financial assistance weekly from SW for Ali. Anila feels marginalised and very alone here.

Reason for referral:
Social isolation, very low mood, anxious as well as benefits had been stopped. Finding demands of three year old daughter exhausting. Anila has some physical health problems – hospital admission planned.

Service provided:
Family Friend to provide a listening ear, to encourage and support Anila in her parenting. Encouraging her to go out with Ali. Host Family to look after Ali when Anila was admitted to hospital.

If we had not provided an overnight stay for Ali, she would have been accommodated with foster carers.

Impact:
The Family Friend will meet up regularly, perhaps coming to an arrangement to enable Anila to attend a women's group, thus reducing her isolation. Anila was able to have the necessary operation as Ali was looked after. This avoided a foster placement, reduced her anxiety at that time considerably and allowed her to concentrate on her own health.

6. Parent/Carer: Mary Brown

Child/ren: Faith Madras age 6 months

Category 1

Referrer: Social Worker from the hospitals service

Family Circumstances: Mary was trafficked into the UK and worked as a domestic slave in London. She managed to escape to Edinburgh five years ago and about a year ago discovered she was pregnant. The pregnancy and birth would be complicated due to her being H.I.V. positive. She has good support from her church but is reticent to disclose her health situation as she is afraid of being judged. Since friends from church tended to accompany her to GP appointments, she wasn't able to get the care she needed.

Reason for referral: Mary's health and reluctance to disclose her situation meant she might not get the care necessary for her and the baby. She also tended to be passive, and there were safeguarding concerns about her ability to care for the baby once she gave birth.

Service provided: Family Friend to accompany Mary to hospital appointments and to help her care for the baby after she was born. The Family Friend visited weekly to help Mary manage care of Faith. This has ranged from advice on bottle feeding (hygiene and sterilization) to bathing and offering general support and encouragement. The volunteer had other skills which also came into play. After the birth, Mary received communication from two male friends claiming that they could be Faith's father. One of these men was using the same lawyer's firm that Mary was using to manage her residence status. The volunteer helped Mary write a very professional letter pointing this out as this was a conflict of interest. In all the continuing communications regarding requests for DNA tests, etc., the volunteer helped Mary manage this calmly. Recently Mary has had intimidatory texts from so-called friends, which has resulted in the police being involved.

Impact: Mary has had guidance and help as she transitions into motherhood and has been able to care for Faith in a way that will prevent passing H.I.V. onto her. The volunteer's help with communication to the lawyer's firm has reduced Mary's anxiety considerably and allowed her to focus on caring for her baby. The FF has also offered advice and support in managing the most recent events with the texts. The volunteer is now concentrating on helping Mary make other local connections through playgroups etc and helping Mary with her reading.

The volunteer provided such valuable support that without it Mary would have struggled with her parenting, and compulsory proceedings may well have had to be brought into being.

7. Parent/Carer: Claire Peters

Child/ren: Donna Peters age 1
Harry Peters age 2

Category 1

Referrer: Health visitor

Family Circumstances: Claire Peters was a single parent awaiting a hip replacement when she was referred to Safe Families. Her physical condition was deteriorating, and the referrer had concerns about her mental state as a result of trying to cope with looking after Harry. Due to Claire's limited mobility, Harry was largely confined to the sitting room of his home where he spent all day from rising to bed at 9pm. Harry needed more stimulation and physical activity.

Reason for referral: Claire was increasingly unable to take Harry out of the house and was distraught by her inability to give him the physical activity he needed. She had some support from Home Start and from a Health Visitor, but she was still unable to cope.

Service provided: Homestart and other agencies, a befriending agency and a childminder had become involved but Claire was trying to fill in the PIP form (disability benefits) and was finding this difficult. She also was finding managing the garden difficult. We provided FFs to cut the grass and hedges. We also asked a FF to help her with the form (this volunteer was skilled in this area) and manage the correspondence afterwards.

Impact: Giving the garden a tidy up kept it safe and suitable for Harry to run around in. Helping with the form saved a huge amount of anxiety for Claire. This in turn helped her to be more emotionally available for Harry and for the other tasks she has to cope with. If she needs hospital treatment she is aware of Safe Families and the support we can offer. The simple tasks provided by volunteers have had strong beneficial results for the family. Stress levels reduced which meant the mother could meet the needs of her children more effectively.

8. Parent/Carer: Maya Mandela

Child/ren: Colin Taylor age 3
Hope Taylor age 4
Mike Taylor age 2

Category 1

Referrer: Children and families social worker

Family Circumstances: Maya has no recourse to public funds and lives alone in Criagmillar with her three boys. She has no family in Scotland and a very limited network of friends. She suffered domestic abuse from her ex-partner and now is trying to make a life on her own for her boys. She is very motivated to get the best for her family but is beset by worry about her immigration status. She is from Ghana.

Reason for referral: Request to help look after two children while the parent takes the third to hospital for a scheduled operation.

Service provided: FF support offered to take the two older children to school and pick up from school on the day of the operation. Also helped Maya access the Edinburgh Clothing Store, offered FF support to take children when she had lawyer's appointments, offered lifts to Midlothian hospital when Maya became ill and needed a scan. Maya began to attend a computing class locally, but always had to leave 20 mins early to pick up the youngest child. FF then picked up the child each week to help Maya access this course. Furthermore, an African volunteer occasionally visited Maya.

Impact: Maya's boys are lively and great fun but taking them places is a bit of a challenge so offering help with managing appointments allowed her to concentrate on important events such as lawyer's appointments. Getting access to the computer course has allowed her local connections and also learning a new skill which she hopes will help in the future. The African volunteer's informal contact was greatly valued. Maya said, 'We talk Africa'. All in all, reducing stress, helping Maya be less anxious and therefore helping her look after the boys better. Maya has just been granted leave to stay in this country.

If Safe Families had not been involved, other care would have needed to be provided for the children to get to school, when there were health care emergencies. Maya would not have had the full benefit of her computer class. She is now talking about accessing college courses.

9. **Parent/Carer:** Shona Singh

Child/ren: Jaimie Singh age 5
Jill Singh age 4

Category 1

Referrer: Education Welfare Officer

Family Circumstances: Shona was attending ERI and waiting for a date for an operation/procedure for a gynaecological problem. Her daily pain was so severe that she was unable to take Jaimie to school or Jill to nursery, and she was also worried about what would happen to the children when she went into hospital. Shona was very isolated – she is separated from her husband because of domestic abuse and fled to Edinburgh from Glasgow. She does not want to make contact with any Asian families in Edinburgh because of fear that her ex-husband will find her and kidnap the children. She often spoke of not being able to go back to Pakistan for fear that the children would be taken from her.

Reason for referral: Hosting support if Shona would be admitted to hospital. Support in taking the children to school and nursery and bringing them back home again. Someone for Shona to talk too. Other agencies also involved – Family solutions, Homestart and the headteacher from school.

Service provided: FF took on the responsibility for Fridays in the plan of support. Safe Families also looked after the children to allow Shona to attend hospital for a scan. During the Summer holidays, the FF support continued and FF and Shona took the children out to the park etc.

Impact: The children continued to attend school and nursery and to fully participate in this. Shona had more company and used the FF to talk about her situation and this enabled her to access healthcare. Now her health is improving, nothing ominous has been found and she is much better physically and psychologically. Safe Families helped the children get to school/nursery on Fridays. Now, the FF has identified that the boy has a reading problem and is encouraging Shona to liaise with school. Safe Families involvement prevented escalation of social care involvement.

10. Parent/Carer: Jacqui Erskine
Jimmy Cunningham

Child/ren: Kenny Cunningham age 4
Ralph Cunningham age 2

Category 1

Referrer: Health Visitor

Family Circumstances: Jacqui has significant mental health issues. She is under the care of a psychiatrist and GP. The clear diagnosis has not yet been decided, but there is evidence of some bipolar depression and some psychotic symptoms – at times these have been of significant concern. She is on medication for both of these, and Jacqui has regular visits from a Community Mental Health Nurse. Jimmy suffers from depression; he sees a GP and is on medication. Jacqui has constant gynaecology issues and is anaemic. Kenny has some developmental delay and doesn't manage change well. Despite a history of domestic abuse and an on/off relationship, Jimmy and Jacqui were doing well parenting their boys with support from professionals. However, when it came to light that there were concerns regarding the health and wellbeing of Jacqui's younger siblings, Jacqui began taking on a parental role for her siblings (ages 12 and 15). This added stress was in danger of potentially tipping the family.

Reason for referral: Jacqui manages complex family situations and is in a difficult relationship which isn't entirely supportive to her. FF requested to just have someone to talk too, help her with household tasks and help in attending appointments. Possibly FF for Jimmy as well. Possible hosting for the children although recognised that Kenny might not cope with this.

Service provided: FF providing support. Sometimes difficult to be consistent but recently is in a better pattern. FF is available every fortnight. Sometimes Jacqui will forget or something else happens and gets in her way.

Impact: Someone to listen to Jacqui who seems to be trying to be a support to others while struggling herself. Jacqui enjoys the outings to get shopping and have a coffee with the FF. Recently there have been significant stresses in the family but Jacqui seems to be managing these better.

11. Parent/Carer: Gemma Green

Child/ren: Paul Gordon age 3

Category 1

Referrer: Health Visitor

Family Circumstances: Gemma is a care leaver and is now a young single mum who is parenting her 3-year-old son. She has just finished a college course. Gemma was her own mother's carer up until her death last year, and she continues to be a support to her sister and family; however, Gemma has no practical support for herself. Paul is now exhibiting developmental delays and needs both practical and emotional support.

Paul started to suffer from ear infections and febrile convulsions associated with these at 15 months old. At this time, he appeared to be struggling with his balance and would fall regularly. He has had grommits inserted now. He continues to have some rather awkward movements with poor spatial awareness, but he is falling less. Paul's speech is delayed, and he had been referred to SALT. He has also been referred to and seen by the Community Paediatrician.

Apart from Paul's issues with ENT, balance and speech, there have been increasing concerns about other aspects of his development and behaviour. These include him having poor coordination and concentration. He doesn't like noises and is working more at an age of a 2 year old. Paul is struggling more recently with eye contact. Mum works very hard with him, and there is evidence of very good attachment between mum and Paul. Mum has voiced concerns about his behaviour in general, and he presents as a child who is irritable and frustrated at times.

Reason for referral: The Health Visitor was very concerned about Gemma's isolation and lack of positive support. Gemma has an ex-partner who is involved in drugs and is very unstable so has almost nobody to turn to for advice and support. While Gemma is coping at a superficial level, it is clear that there isn't a great deal of resilience and the situation could require more social care input fairly quickly.

Service provided: Safe Families matched Gemma with a retired Health Visitor. Given Paul's complex health challenges this has been a great match. The volunteer is now meeting Gemma regularly, offering Day Hosting to Paul and attending Child Planning Meetings to support Gemma.

Impact: The biggest impact is that Gemma had been able to start a part time job. Lynne has been able to take Paul while Gemma works for a few hours in a Beauticians. This has had a tremendous effect on Gemma's confidence. Lynne has also been able to offer parenting advice and support around Paul's complex health issues. The support of the Safe Families volunteer has prevented further escalation of social care involvement.

Appendix 2

Direct feedback from Children and Families Social Workers in South West Edinburgh who had referred families to Safe Families for Children for support during 2016.

1. “The befriender support has been really positive and mum has found this invaluable. It has provided mum with opportunity for herself to share her concerns and stresses, and in turn help her confidence. Both children’s names are now off the child protection register and the case is closed to social work”

2. “SFFC provided a befriender for Ann once a fortnight. Ann greatly enjoys this experience and mum was supportive of this. Mum herself could be quite vulnerable. This did reduce risks – Ann began to present as a much happier and settled child – mum was positive about the service and asked for a volunteer for her own support. Ann remains with her family and we were able to end the social work involvement. This is a highly valuable resource and my experience is that, especially for families who struggle with social work involvement, they find this service very supportive and helpful.2

3. “SFFC have provided a volunteer who visits once a week. The volunteer is older than the parent and has a grown-up family of her own. The volunteer has provided emotional support in the few weeks since the child was born, giving advice on making up milk, and encouragement in her parenting skills. I understand that the volunteer has also provided practical support in lifts to the shops. The parent appreciates the one to one time the volunteer is able to offer. The service has exceeded my expectations, SFFC had a volunteer in place in good time for the child’s birth and took pains to match the parent appropriately. The parent is happy with the volunteer and often talks about when she has been to visit.”

Safe Families *for* Children

Nottingham City Council

Year One Report: July 2015 to July 2016

Table of Contents

Safe Families for Children

A. Introduction:

This report is a review of Safe Families for Children's partnership with Nottingham City Council between 22nd July 2015 and the 22nd July 2016. During this time Safe Families for Children has become an integrated part of Nottingham City Councils menu of services for vulnerable children and families, with referrals being made from social care duty and fieldwork teams, targeted family support, disabled children's team and the post adoption service.

B. Referrals:

During the first 12 months there have been **67 referrals** of which **44 have been actively supported**[1]. This support breaks down as 55 adults and 130 children helped by 44 family friends and 112 bed nights provided by 34 host families.

Safe Families supports families as part of early intervention (category 1) and at the edge of care (category 2). Of the 44 active referrals, 26 (58%) were category 1 and 18 (42%) were category 2.

The referrals have come from:

- Fieldwork social care teams: 43% (19 referrals)
- Targeted Family Support: 27% (12 referrals)
- Duty Team: 18% (8 referrals)
- Disabled Children's team 5 % (2 referrals)
- Post adoption Support Team 7% (3 referrals)

C. Impact of Safe Families for Children on the flow of children going into care:

To understand the impact of Safe Families we have used the terminology of stock and flow. The stock is the number of children within local authority care at any one time. The flow is the number of children going into care over a specific time period. Typically the stock is made up of older children, who are accommodated for longer periods of time and who are likely to have a permanency care plan and the flow is made up of new entrants to the care system who may only stay in care for a short time before returning home. It is with this cohort of children that the greatest impact of Safe Families can be seen. Host families provide support and overnight stays to this group of children, where appropriate, which avoids these children coming into care on a short term basis.
When these families are supported by Safe Families as an alternative to care, there is a knock on effect, which is also important to note. Families are less likely to request short term accommodation in the future if they have received support from SFFC. Those families who have accessed short term care as a means of dealing with family crises can become desensitised to the prospect of their children spending time in the care system, so are more likely to request state intervention as a means of support in dealing with a future family crisis. In summary therefore, it is highly likely that

[1] Of the 23 that didn't engage the reasons were; 2 screened out by RCT, 6 assessed as not appropriate for volunteer support, 10 where the parent/carer declined support and 5 where the parent/carer disengaged post link-up with a volunteer.

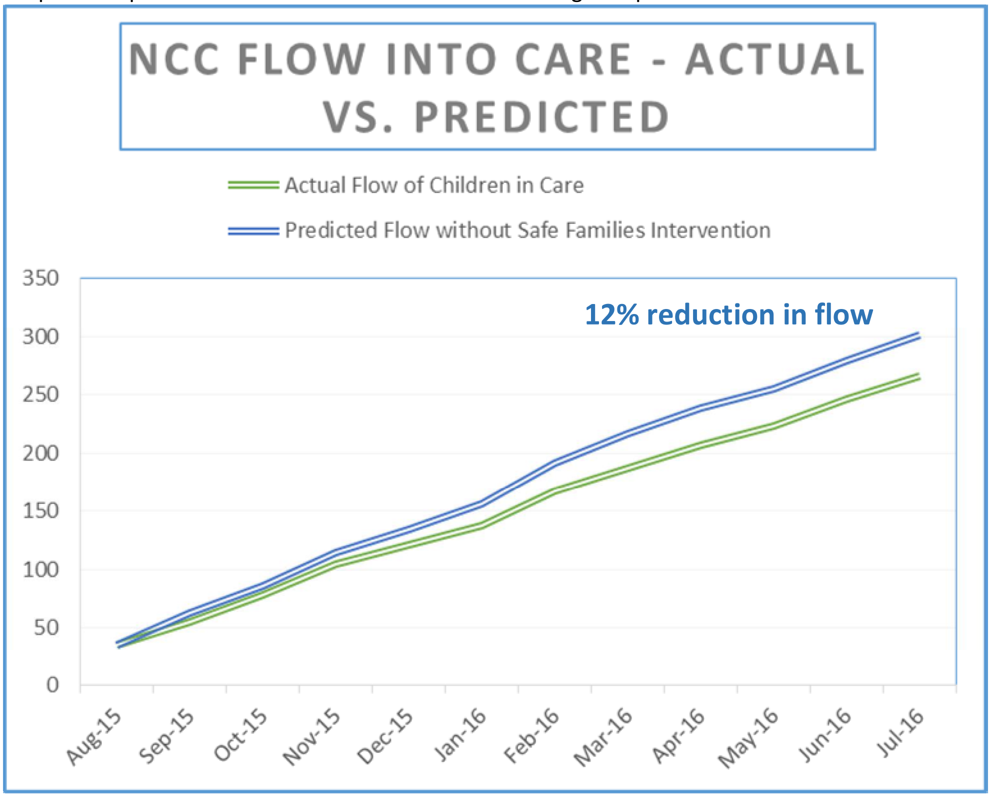
those children who receive Hosting support from SFFC will avoid repeated short stay episodes in care.

A review of cases (from July 2016 to July 2016) where Safe Families have been involved shows there are **35 children who would have been accommodated** if they had not been supported through volunteer intervention.

In almost 80% of these cases, this would have been for a short period of time due to the parent/carer being incapacitated in some way (e.g. hospital stay). In the remaining 20% of cases it is likely that the children would have entered care for a longer period as the issues related to ongoing family stress coupled with limited support networks. In both cases the intervention of Safe Families avoided these children being accommodated. See Appendix 1, Table 1 for detailed information on each case.

By avoiding 35 additional admissions into care **Safe Families for Children have reduced the flow of children in care by 12%**[2] over this 12 month period**.**

Graph 1- Graph to show Actual flow of children into care against predicted flow without Safe Families intervention.



D. Cost Benefit Analysis of Safe Families for Children:

A cost effectiveness analysis was completed in July 2016. A robust evaluation of each case was undertaken jointly between Safe Families and NCC staff to determine the likely service response and

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[2] This is calculated by taking the total flow of children into care over the 12 month period (266), adding to it the number of children diverted from care (266+35 = 301) to give a total number that would have gone into care if Safe Families hadn't been able to respond. We can then calculate what percentage of children were diverted from care (35/301= 0.12 = 12%).

associated costs (see tables 2&3, Appendix 2). This analysis has only looked at avoided costs in relation to care placement savings. The analysis considered a range of scenarios between internal and independent foster placements as detailed in the table below. **The budget relief as a result of diverting these children away from short term cares ranges from 71k to 120k depending on the type of placement available**.

Cost avoidance	Amount (£)
Care Placements costs assuming all internal placements	£70,748
Care Placements costs assuming 70:30 split Internal vs IFA	£83,084
Care Placements costs assuming 50:50 split Internal vs IFA	£116,064
Care Placement costs assuming all IFA	£120,512

E. Additional cost saving implications

From the period of July 2015 to July 2016 SFFC has provided other savings through the **supply of resources**. These total £4,090. A breakdown of resources provided is included in Appendix 3.

44 supported cases have been reviewed to see if their status within social care / early help has escalated or deescalated during and after support. It is clear that over the 6 months of Safe Families involvement the majority of cases deescalate within social care and to date have not bounced back into local authority Children's Social Care.

Looking at the 20 cases that have closed to Safe Families (usually after 6 months of involvement) 55% have deescalated or closed to social care and (to date) have not come back into social care, 2% have remained at the same level and 30% were emergency referrals where the issue is specific to a hospital stay or similar and Safe Families involvement was for just a couple of days/weeks and therefore reviewing escalation/de-escalation is not relevant.

Safe Families have also reviewed the input provided by the "Family Friends" who work alongside parents/carers and children. Appendix 4 details the support provided by the volunteer family friends and the impact this has in terms of increasing the family's support networks, increased involvement in community groups, facilitating and promoting health and (other) appointments, support with filling in benefit forms and resolving accommodation issues etc. It is very difficult to attribute a direct cost benefit to these outcomes; however the fact that the support is enabling social work practitioners to close/deescalate cases suggests that it is effective in providing community based solutions that increases the resilience of the family and means they are less likely to become reliant on state support and intervention.

F. Impact of Safe Families on emotional and mental health of families:

Evaluation tools were used with the families at the point of referral, during support and at closure to determine the impact of support on overall wellbeing, anxiety and depression. A fuller analysis of the initial results of this is detailed in Appendix 5.

In summary:
71 % of cases increased in their Cantril's ladder score (overall wellbeing measure).
86 % of cases maintained or increased in their Cantril's ladder score (overall wellbeing measure).
75 % of cases showed maintained or reduced levels of anxiety.
75 % cases showed maintained or reduced levels of depression.

Perhaps most significantly there were 5 cases where the parent/carers anxiety and depression scored “abnormal” at the point of referral (a score of over 11 out of a possible 21). In 3 of these cases this score dropped all the way down into “normal” (below 7) by the point of case closure.

G. Case Studies & Feedback from Exit Survey:

Appendix 6 includes 4 case studies and the current feedback from volunteers, referrers and families taken at our exit survey.

Appendix 1: Review of Diversion from Care Cases

Table 1 – Cases where Safe Families intervention has avoided care placements

Target	**Direct /Indirect**	**Children**	**Review**
1	Indirect	3	Respite support and emotional support to parents to enable them to cope and manage their own health needs
2	Direct	1	Hosting of 1 child while mum is in hospital giving birth
3	Direct	2	Hosting of two children while mum is in hospital and then hospice (went home but later went into foster care as mum died)
4	Indirect	5	Respite support and emotional support to Grandfather sustained placement of children with him.
5	Direct	3	Hosting 3 children when mum went to hospital for emergency procedure
6	Direct	2	Hosting of 2 children when mum went into hospital to give birth
7	Indirect	1	Respite support and emotional support to mum enabling older son to remain in family home
8	Direct	2	Hosting of 2 children when mum admitted to hospital and dad in custody. Returned to mum that evening.[3]
9	Direct	2	Hosting 2 children when mum had breakdown until alternative family members were found to care for children
10	Indirect	2	Emotional support and friendship to dad to support him in care of the children who had been recently placed in his care
11	Direct	2	Hosting of 2 children while mum is admitted to hospital with pre-eclampsia (hospital stay was extended and children went into foster care for 2+ months)
12	Direct	2	Hosting of 2 children while mum is in hospital giving birth
13	Direct	3	Hosting for three children while mum went to hospital for procedure (hosting was cancelled on the day) [3]
14	Direct	4	Hosting 2 children on 2 occasions when mum went into hospital for emergency care
15	Direct	1	Hosting 1 child when mum went into hospital to give birth
		35	

[3] In both these cases overnight hosting did not end up happening because the circumstances changed after the link-up with the volunteers. Case 8 - children picked by hosts and remained with them until 9pm when mum was discharged early from hospital. .Case 13 hosts arrived at family home to collect children but mum had changed her mind regarding procedure. These have been included in flow because the assumption in both cases is that S20 would have been initiated if Safe Families had not been invovled.

Appendix 2: Cost Benefit Analysis of Avoided Placement Costs

Table 1 – Summary of budget relief in respect of avoided care placement costs to NCC

Case	100% internal	70% internal: 30% IFA	50% internal: 50% IFA	100% IFA
1	£1,353	£1,353	£1,353	£2,352
2	£200	£200	£200	£224
3	£2,200	£2,464	£2,464	£2,464
4	£43,296	£43,296	£75,264	£75,264
5	£300	£300	£300	£336
6	£1,804	£3,136	£3,136	£3,136
7	£2,706	£2,706	£2,706	£4,704
8	£14,432	£25,088	£25,088	£25,088
9	£1,353	£1,353	£2,353	£2,352
10	£1,804	£1,804	£1,804	£3,136
11	£400	£400	£400	£448
12	£300	£336	£336	£336
13	£400	£448	£448	£448
14	£100	£100	£100	£112
15	£200	£200	£224	£224
15 Families Total Relief	**£70,848**	**£83,184**	**£116,176**	**£120,624**

Table 2 – Detailed case summaries to Illustrate budget relief in respect of avoided care placement costs to NCC

Case	Costs avoided (£)	Number of children	Narrative
1	**£1, 353** Care cost for three children for one week mum was in hospital. (3 x £451.00) plus care costs for one child @£100	3	Three children aged 10, 8, and 5. Both parents have physical health problems, which are impacting on their parenting. Mother has a hospital appointment for surgery and possible time as inpatient in hospital. Father has significant health problems and a diagnosis of depression. Recently his mental health has deteriorated. Father struggles to be sole carer while Mother is in hospital. 8 year old son's behaviour can be very challenging and parents struggle to reinforce boundaries. 10 year old is taking on caring responsibilities and needs a break. Daytime (and occasional overnight) hosting of all 3 children.
2	**£200** Two days including overnight for one child (£100.00 x2)	1	Mum in early labour no networks with one year old child.
3	**£2,200** Two children for eleven nights	2	Adoptive mum of two children, no family willing to support. Mum in late stages of terminal illness unable to care for children. Children hosted for 11 nights.

	(£100.00 x 22)		Subsequently went into foster care when mum died.
4	**£43,296** Care costs of three children in care for eight months of this financial year.(£451 x 8 months) IFA would be £75,264	3	Grandfather is the sole carer and has Special Guardianships of his five grandchildren children. Requested children be removed and placed in care as he could not continue. Note: Consideration should be given to all five children being accommodated. If all five children were accommodated this would be a saving of £72,160.00
5	**£300** Care costs of three children coming into care	3	Mother in a refuge with three children, medical emergency and hospitalised, and emergency accommodation required.
6	**£1,804** Care costs for two children for two weeks. (£451.00k x 2)	2	Pregnant diabetic mother, no recourse to public funds, two young children. No networks. Needed support whilst going into hospital for delivery and recovery. Family moved out of area
7	**£2,706** Six weeks at £451.00	1	Fled DV and moved to Nottingham. Son has challenging behaviour and has been previously LAC. MST to reintegrate the child back to family home. Hosting of younger sibling to facilitate this. Case came back to EoC to consider accommodating son again however support in community and hosting of younger sibling working to sustain family situation.
8	**£14,432** Care costs for two children until the end of the financial year. (£451 x 2 x 16 weeks)	2	2 children aged four and two The LA has previously accommodated the boys as their mother was unable to meet their needs. Whilst in the care of the LA the plan was adoption, but an independent social work assessment concluded that the boys could return to their father. He describes himself as a weekend dad and has struggled with caring for the boy's fulltime. After a period of settlement he stated that he no longer wanted / could care for the boys. Potential for the plan to breakdown and the children returning back to LA care. FF provided emotional support to dad alongside EOC hub support. Dad now coping well.
9	**£1,353** Care costs for one week care and 2 weeks care. (£451 x 3 = 1,353) IFA Costs £784.00 per week x 3 = £2,352.00.	2	Mum requested children are taken into Care. Multiple toxic stresses. 14 nights and a five night given while family members were found for the children. A low end estimate has been used in this case, but there was a real possibility of the children coming into care long term.

10	**£1,804** Two weeks of care for two children @451.00 = £901.00	2	NRTPF emergency admission and recovery from operation, children now in temp foster care
11	**£400** Two children for two nights (£100.00 x 2 x2)	2	Mum fled DV to a refuge. no English language, no support network. Hosting whilst Mum gives birth. Mum still in refuge- monthly hosting for 2 nights for 2 children
12	**£300** Three children overnight (£100.00 x 3)	3	Mum booked for termination of pregnancy, no family networks to care for the children. Complete (Nb. Children collected but then cancelled as mum changed her mind re termination)
13	**£400** Two children overnight on 2 occasions (£100.00 x2 x 2)	2	Mum in DV relationship and missing health appointments, requires hospital examination and requires overnight support for children. Hosting providing during 2 x emergency admissions
14	**£100** One night care for the six year old. £100.00	1	2 x children one and six. Three older children live with birth father contact order in place. Mum had a C-Section in December. Mum and dad are both estranged from their families. They currently have 2 children in their care – 21 month old who is tube fed and son who is 6 and has a development delay. The referral was for care of the 6 year old while mum is having C-section. Felt dad would not cope. Mum is anxious at the thought of the LA having to provide care for son. Lots of previous LA involvement with previous children living with birth father. Complete
15	**£200** 1 night for 2 children	1	Mum admitted to hospital and partner in custody. HF collected children to host and then mum discharged from hospital so children returned home at 9pm.
15 families Total relief		35 Children	

Appendix 3: Resources provided

Table 3 – details of resources provided by Safe Families for Children

Case	Costs (£)	Detail
1	1000.00	Family holiday
2	100.00	Microwave and toys for the children
3	50.00	Toys, fridge, microwave
4	200.00	2 x beds
5	400.00	Bed and redecorating
6	140.00	Skips hire to clear garden (front and back)
7	250.00	Cooker
8	300.00	Baby seat, baby sling, baby monitor, baby bouncer, washing machine
9	400.00	Washing machine
10	1000.00	Fridge freezer and home decorating
11	750.00	Decorating 3 bedrooms and living room, clearing and planting in garden, chests of drawers, wardrobes, bed.
12	400.00	Fridge, baby bouncer, toys, curtains, bookcase
Total relief	£4,090.00	

Appendix 4: Analysis of Impact of Family Friend Support

Case	Number of volunteers	Support provided and direct impacts; including, where available SDQ (Strengths and Difficulties Questionnaire) scores of the children.
1	4	Family Friend meeting weekly with mum, supporting with parenting, taking 3 year old with disability to nursery, emotional support, introductions to local church and toddler groups to increase networks and reduce isolation. Acted as an advocate in getting a closer nursery place for 3 year old.
2	1	Family friend met weekly with mum, offering emotional support and friendship as mum manages her mental health needs having come out of a DV relationship.
3	6	Daily rota of volunteers provided love and cuddles to baby M on neo natal ward over 5 week period while foster carer found and court case ruling.
4	2	A couple provided both family friend and host family support while both parents dealt with physical and mental health issues; providing regular weekend activities for 1-3 of the children. The parents had reduced anxiety knowing there were people who could host the children in a crisis The 11 year old formed a particularly close friendship with the host family's son and they will now be at the same secondary school. Friendship continues beyond case closure to Safe Families.
5	2	A family friend took the 3 children out monthly for weekend activities to give mum a break and provide the children with fun away from the family home.
6	5	A family friend met regularly with grandad to provide emotional support, a male his age to engage with and offer space to process his bereavement. Multiple family friends took the children in smaller sibling groups out for activities or overnight. Grandad able to build attachment with the children through 1-2-1 time, Grandad able to get to key hospital appointments, reduced anxiety knowing there were people who could host the children in a crisis. Friendship continues beyond case closure to Safe Families.
7	1	Family friend met weekly with mum teaching her to read English and building her confidence both as a mum and with her literacy. Friendship continues beyond case closure to Safe Families.
8	2	Family friend(s) met regularly with mum who was separating from her DV relationship. Helped her to access and visit hostel and alternative housing. After two attempts to move mum decided not to leave relationship.
9	1	Family friend meeting weekly with mum to provide emotional and practical support as she comes to terms with her ex-partners incarceration and becoming a single parent of 5 children.
10	3	Family friend to meet weekly with mum to provide an outlet that is just for her and support with parenting. Host family who provided the whole family with a summer holiday in their back garden with hot tub, hamper and activities.
11	2	Family friend to support isolated mum to make links in the community and build confidence. Mum now volunteers at local toddler group weekly and has built a friendship group at her local church. Friendship continues beyond case closure to Safe Families.
12	2	Family Friend for (adoptive) son who is selective mute and has challenging behaviours/attachment disorder. To give the parents respite and time with their other son. Family have greater capacity to cope with day to day

		challenges. Family join adoptive parent support group run by Safe Families volunteer.
13	7	Family friend met fortnightly with mum offering emotional support to cope with the aggressive and threatening behaviour of her 17 year old son. Multiple family friends took the 12 year old son out during the holidays enabling mum to get to work and the son to have positive role models.
14	4	Family Friends and Host Families who supported mum and her two sons through admission to hospital for the birth of her unborn child. Emotional and practical support for mum. The oldest child's Strengths and Difficulties score dropped from 28 to 8, which is extremely positive.
15	2	Family Friend has met regularly with mum and younger daughter. Providing emotional support to mum and building a relationship with the daughter. Family friend has then hosted the daughter to allow mum time with her son who has been through EOC and MST and displays very challenging behaviour.
16	1	Family friend has met regularly with dad; they have a number of shared interests and so have been able to do "bloke" things together as dad adapts to his new role as a full time parent. Building dad's confidence in his parenting and being a point of contact if he is struggling and needs a break.
17	5	Family friend supported mum and children intensively through hospital stays and birth of new child. Providing regular childcare for the children and emotional support to mum. She has helped her with forms, housing, as an advocate regarding housing issues and offering to be her guarantor.
18	4	2 sets of family friends who took the 3 children out alternate weekends; providing positive interaction away from the family home and respite for dad.
19	1	Family friend to meet with mum weekly and provide emotional support as she moves out of DV relationship. Mum now has full time job. Friendship continues beyond case closure to Safe Families.
20	3	Family friends and host family are supporting a mum and grandad with a young child through mum's terminal cancer. Providing emotional and practical support. Providing them with a break from the daughter and peace of mind that there are volunteers available that she knows and trusts who can have her in an emergency and as this moves towards end of life care.
21	2	Family friend to meet regularly with mum as she struggles with 3 children and post-natal depression. Family friend to build relationship with oldest child whose behaviour is more challenging, to allow mum time to connect with the younger two.
22	2	Family friend providing regular daytime hosting of the two older children to give mum a break as she cares for her new born child. Mum has greater capacity to cope with challenges.
23	1	Family friend met regularly with mum, helped to increase her confidence, access local toddler groups and networks, helped resolve issues regarding her rent with her private landlord, re-facilitated contact with the adoptive family of her daughter, supported her to access counselling.
24	3	Family friend met weekly with mum, offered emotional support, helped to get to medical appointments, through her experience of working with people with DV supported mum as she ended her DV relationship. Friendship continues beyond case closure to Safe Families.
25	3	Family friend and host families supporting isolated mum and new baby. Have enabled mum to rebuild her relationship with her mum who is now involved in her life having rejected her when she got pregnant. The family friend has linked her to a law firm where she has been offered work experience and

		someone who has been through a similar experience who is keen to mentor her.
26	3	A Family friend met regularly with mum for coffee to provide emotional support. Two other FFs took the 3 older children out for fun to offer mum some respite. Over the durations of support all 3 children showed significant drops in their SDQ scores. Friendship continues beyond case closure to Safe Families.
27	1	Family friend met fortnightly with mum; offering her shared experience of having a child with developmental delay, supporting her through a potential eviction and house move and providing emotional support through the many chaotic happenings in her life.
28	2	Family friend who meet weekly or more with parents as they settled into independent living; helped with form filling, accessing benefits, sorting our arrears, house move and encouraged them in their parenting. Parents are now connected in their local community and have increased confidence.
29	2	Family friend met fortnightly with younger child who was elective mute. Allowing him time away from the home and his disabled brother, offering attention that was specific for him. Just as we were closing the case M spoke to the Family friends for the first time. Relationship with M and volunteers continues.

Appendix 5: Evaluation to Date; Impact of Safe Families for Children on the Emotional and Mental Health of the families

We have completed initial and follow-up evaluations with 12 of the 20 cases that have closed.
We used two evaluation tools:

Cantrills Ladder: Cantrills ladder asks the family to rate where they feel they are on the ladder with the bottom rung being "the worst possible life" and the top rung being the "best possible life". Each arrow below represents one step up the ladder between referral and closure.

71 % of cases increased in their Cantril's ladder score.
86 % of cases maintained or increased in their Cantril's ladder score.

Name	Cantril's Ladder (number of steps up or down the ladder)
1	↗(+1)
2	↗(+2)
3	↗(+2)
4	↗(+1)
5	↗(+1)
6	↘(-2)[4]
7	↗(+4)
8	↗(+2)
9	↗(+4)
10	↗(+1)
11	→
12	↗(+1)
13	↘(-1)
14	→

Hospital Anxiety and Depression Scale (HADS): This asks a range of questions, which provides a score on the anxiety and depression felt by the parent; this score is ranked as normal, borderline or abnormal. Three arrows (↘) represents a drop from abnormal to normal and two arrows represents a drop either from abnormal to borderline or borderline to normal and one arrow represents a drop within the same band.

75 % of cases showed maintained or reduced levels of anxiety.
75 % cases showed maintained or reduced levels of depression.

Perhaps most significantly there were 5 cases where the parent/carers anxiety and depression scored "abnormal" at the point of referral (a score of over 11 out of a possible 21). In 3 of these cases this score dropped all the way down into the "normal" (below 7) by the point of case closure.

[4] The results of this case were significantly influenced by the asylum status of the parent; she has been waiting for this to come through for over 4 years and this is impacting all aspects of her life.

Name	Anxiety	Depression
1	↗	↘↘
2	→	↘↘
3	↘	↘
4	↘↘	↗↗
5	↘	↘
6	↘↘↘	↘↘↘
7	↘	↘
8	↘↘	↗
9	→	↘↘↘
10	↗	↘↘
11	↗↗	↗
12	→	→

*↘ = down arrow indicates reduction in score.
*↗ = up arrow indicates increase in score.
The number of arrows represents the degree of change. For the anxiety and depression scales each arrow represents a drop between the categories abnormal – borderline – normal. For Cantril's Ladder each arrow represents a change on the rung of the ladder.

Appendix 6: Case Studies and Feedback from Exit Surveys

Feedback from Exit Surveys
"Ruth McDonnell was my first volunteer and I would give her 10 however all the other volunteers could never match up to her!"
"Both my volunteers were lovely people"
"Thank you very much for everything you've done for us."
"It's brilliant you've helped me out a lot. I've found a friend."

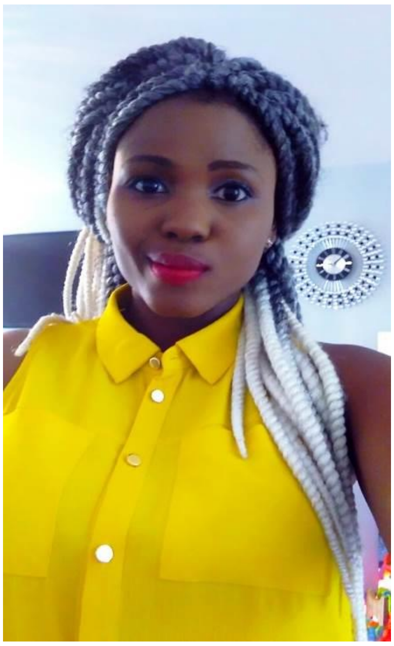
	Responses	Q1 Avg	Q2 Avg	Q3 Avg
Family	14	8.79	9.00	14
Referrer	8	9.25	10.00	10.00
Volunteer	10	9.00	8.30	9.30

Family questions:
Q1. How did you like the help given by Safe Families for Children? (score out of 10)
Q2. How did you like your Safe Families for Children volunteers? (score out of 10)
Q3. Would you recommend Safe Families to a friend? (Y/N)

Q1. How did the support provided perform against your expectations? (score out of 10)
Q2. How likely would you be to recommend another family to Safe Families? (score out of 10)
Q3. How likely would you be to recommend Safe Families to colleagues? (score out of 10)

Q1. How well do you feel Safe Families supported you during the hosting/befriending? (score of 10)
Q2. How positive was the overall experience for you (and your family)? (score out of 10)
Q3. How likely will you be to support another family in the future? (score out of 10)

Case Study 1 (photo is of mum) : Single mum, with 3 year old with Cerebral Palsy and a newborn baby



Reason for Referral: B was referred to us in March because she was due to have a second child and had no one to care for her 3 year old (with Cerebral Palsy) when she went into hospital and then for ongoing support to build community networks. She had come to the UK from Nigeria seeking asylum.

Support provided: We linked a couple, who had previous experience of working with children with cerebral palsy, in to support the family. In the end we were not needed to care for the 3 year old while mum gave birth but have been supporting her weekly since then. The volunteers have helped with weekly trips to get her son to nursery (which would otherwise be 2 bus journeys away), they have gone with her to a local Children's Centre and local church where she is building new contacts, and they have provided emotional support.

Outcomes:
Cantrills ladder score has increased from 4 out of 8 to 5 out of 8.

Depression score has reduced from Borderline to Normal. Anxiety score has remained Abnormal. Safe Families are looking to close the case in September, the volunteers are going to continue to support mum.

"My volunteers are amazing – for me, my new born and especially my 3 year old with cerebral palsy. They've helped us practically by shopping, DIY, gardening, lifts to and from nursery and looking after my children including taking them out. They have made life less stressful and I'm less isolated and emotionally they give me so much support and listen to me. I don't know where we would be without them, we love them."

<u>Case Study 2 – Parents with learning difficulties and newborn twins</u>

"SFFC have helped us move house and helped us with our twin girls. If we could rate the work that Safe Families has done for us it would be 10/10 every time! Our family friend is very supportive and has helped us fill in so many forms that we would have struggled to do ourselves"

Reason for Referral:

Mum and Dad were moving from a residential assessment unit out of area back to Nottingham with their twin babies. There were concerns around mum's mental health and functioning with both her and dad having some level of learning needs and mum having had children removed from her in the past.

Support provided:

We linked in a family friend who met regularly with both mum and dad; helping with a whole range of practical needs including form filling, helping them sort out their relevant benefits, helping them sort out some concerns re arrears with their rent, help with budgeting and attending appointments with them. In the early days following their move there was a lot of intensive support from health and social care around the family; we remained an important non statutory support through this and then gradually increased support as statutory support was removed. We provided daytime hosting for the twins to enable the parents to attend a court date together. We supported the family with a house move; providing a van to transport all their belongings and daytime hosting of the twins so that they could pack and unpack. Once settled in their new home we provided a team who painted the bedrooms and lounge. During the duration of support we provided high chairs, wardrobes, 3 chest of drawers, shelves, plants and a mini-climbing frame and slide for the garden.

Outcomes:

Cantrill's ladder score increased from 4 out of 8 to 8 out of 8.

Anxiety and depression scores were both normal at the start, but both scores decreased minimally within that band.

Case closed to social care.

<u>Case Study 3 – Mum of two children who has reached crisis point</u>

Reason for referral

Mum turned up at her sister's house with her two children (aged 9 years and 14 months) threatening suicide, under the influence of alcohol and saying she could no longer care for her children. There had been a pattern of her breaking down and the two sisters caring for the children on previous occasions. This time the sisters said they would not do this again and stated that the social care needed to step in to take the children.

SFFC Support
Safe families provided overnight hosting which avoided the children being accommodated. The SFFC staff attended the property and spoke with the mum and her 2 sisters as well as the 9 year old, explaining the support we could providing, gaining their consent and gathering basic information on both children. The SFFC staff then took the 2 children to the host family. In the morning mum was calmer and said that she wanted to get help and then have her children back. Dad had been contacted and agreed to have the 14 month year old and the aunty was willing to think about caring for the 9 year old. We continued to host over the weekend and then on Monday the 14 month year olds Dad came and collected him and Aunty agreed to care for the 9 year old so long as a residency order is put in place to ensure mum can't keep changing her mind. We agreed to continue to host the 9 year old for a further week while these plans we put in place. During this time the 9 year old has been attending school with the host family's children for the first time in 2 months. We will continue to support the aunt in her care for the 9 year old as appropriate.

".... we would love he could to keep in touch with the family as I'm so grateful for everything they did for him and I know he really enjoyed his stay there. They seem like a truly wonderful family......." *(Aunt of a young child who was temporarily hosted by a volunteer family when mum hit crisis point before going back into the Aunt's care)*

" …finding a placement at such short notice for two siblings can be very difficult and they may have needed to be split up which would have been very distressing for the children. SFFC staff and the host family were supportive and assisted us wherever they could to ensure a smooth and successful host was accomplished. The outcome was fantastic for all concerned although the siblings were split they are residing with family members, this was achievable as the time the children spent with the host family enabled the siblings family members to pull together to be able to offer them a home. It was a pleasure to work alongside SFFC and I appreciate the service offered" *(Social Worker from Duty Team)*

Outcomes:
Children diverted from care
Minimum direct cost saving of £1,353 Care costs for one week care and fourteen nights care (£451 x 3) or if IFA then costs saving increases to £2,352.00 (£784.00 per week x 3)

Case Study 4 – Single mum of 2 children with physical and mental health needs

Reason for referral
Support needed for a single mum of two children, aged 11 and 14 years. Mum has a number of underlying health issues and no family support. She often misses health appointments due to fear that she will have to stay in hospital. She has no one who can look after the children if she is hospitalised. She has recently taken an overdose and suffers from depression and mental health issues. She is currently in a domestic violent relationship, and the children often witness the violence.

SFFC Support
We linked 4 volunteers to the family, one family friend, one host family and a resource friend. The host family met the children on a couple of occasions so that they would be familiar and trusted if/when hosting was needed and the family friend met up with mum on a weekly basis to provide emotional support. The two children were subsequently hosted overnight in March when mum collapsed after a routine appointment as was kept in overnight and again later in month when mum was admitted to hospital with suspected appendicitis. During the duration of our support mum split

from the partner and he no longer resides in the family home. Our resource friend helped to re-wallpaper the hallway and we also supplied her with a fridge freezer.

Outcomes:
Children avoided entering care on two occasions.
Cantrill's ladder score increased from 1 out of 8 to 5 out of 8.
Anxiety and depression scores were both abnormal at the start, both scores decreased within that band.
The Strengths and Difficulties questionnaires showed a reduced total difficulties score for both children both with the older daughter showing a significant reduction from a score of 22 to 15. .
Minimum direct cost saving of avoided care placements of £100 x 2 x 2 = £400 and £1,000 physical resources

Appendix 4 – 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 1st 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	

Safe Families *for* Children

Volunteer Agreement

General

- I confirm that I understand the objectives and principles of Safe Families for Children (Safe Families) and am in support of them.
- I agree to conduct myself according to the expectations detailed in this document.
- I agree to inform Safe Families for Children if there are any changes to my circumstances, family life, home environment or other aspects included in the process of my recruitment. For example: contact details, those who live in the household, those who spend significant time there, home suitability or readiness for guests, issues affecting safety or supervision of children.
- I agree to adhere to the professional advice of Safe Families for Children staff and understand that final decisions relating to the escalation or closure of support for a family remain with Safe Families.
- I agree to accept and follow advice from Safe Families for Children relating to ongoing personal relationships with supported families and understand such relationships do not come under the umbrella of support from Safe Families for Children.

Confidentiality

- I agree to treat all information regarding referred children and referred families with respect and with careful consideration for confidentiality.
- I agree to follow Safe Families for Children procedures and guidance for information sharing and will only share personal information I have received in accordance with consents given to me to do so, or within circumstances specified from time to time by Safe Families for Children.
- Unless specific consent is given I will not disclose the reasons why a child and/or parents are receiving Safe Families for Children support to anyone outside of the Safe Families for Children network.
- I will not disclose to the child information that the parents/carers have specifically requested to be kept confidential from the child, unless changes in circumstances or the safety of the child determine otherwise and advice given by Safe Families for Children agrees to this.
- I acknowledge that it is wholly inappropriate and a breach of Safe Families for Children policy to display any photograph of Safe Families children in my care on the internet or any form of social media.
- I agree to seek advice from Safe Families for Children if I am uncertain regarding questions of confidentiality and information sharing.
- I agree that Safe Families will disclose my address to parents/carers for the purposes of overnight hosting.

Use of own transport

- I agree that all private vehicles that I use during involvement with Safe Families for Children will be correctly insured, taxed and with valid MOT, according to the legal requirements for the vehicle and the purposes for which they are being used.
- I agree that, whilst any Safe Families children are in my care, they shall only be transported in vehicles driven by an individual holding a valid driver's license and appropriate insurance. The same for any times when I am involved in offering transport support to their parents/carers.
- I agree always to transport children in my care according to current regulations for transporting children of different height, weight and age.

I hereby agree with the terms of this agreement:

Signed: ______________________________ Dated: ____________

Printed Name: ____________________________

Code of Conduct

Staff and volunteers acting on behalf of Safe Families for Children must:

- Always behave with honesty and integrity, making sure that their behaviour does not damage the public's confidence in them or in Safe Families for Children.
- Act in the best interests of children and families referred to Safe Families for Children.
  - ✓ Make decisions according to the best interests of the referred child and family, with their safety as of paramount importance.
  - ✓ Treat all with respect and dignity, committed to the highest standard of Safe Families for Children support, irrespective of age, gender, race, disability, sexuality, social or economic status, lifestyle, culture, religion or beliefs.
- Be familiar with and abide by Safe Families for Children procedures, with particular care to be taken in all aspects of safeguarding.
- Respect the confidentiality of those referred to Safe Families for Children, sharing information only when necessary and only with relevant and appropriate people and seeking to maintain the dignity of the subject of the information.
- Communicate respectfully and effectively with referred children and parents/carers, with other Safe Families for Children workers, and with workers of partner agencies, choosing the method of communication appropriately.
  - ✓ e.g. some matters are best dealt with by email, other matter by telephone or sometimes through a face to face conversation.
- Not to allow someone who has been identified as a risk to children to have contact with a Safe Families for Children child.
- Keep Safe Families for Children informed of any issues or incidents arising relating to conduct or competence.
  - ✓ e.g. any criminal offences, police cautions, disciplinary proceedings or work suspensions.
- Maintain an appropriate level of knowledge and competency.
  - ✓ i.e. make use of available training, and request further support and/or training as needed
- Act within the limits of their knowledge, skills and experience, referring matters on to Safe Families for Children management if a situation becomes problematic
- Limit their work or stop if their performance or judgment is affected by their health.
- Keep accurate records, using the notes function on the Safe Families database as appropriate.
- Make sure that any promotion / advertising of Safe Families for Children services is accurate.
- Remain in regular contact with the allocated family support manager being clear about challenges, concerns and any accidents or incidents of concern during care of a child or engagement with a referring parent or carer.
- Effectively supervise tasks delegated to others.
- Exercise care regarding any risks of infection.
- Seek advice if any expectations for conduct are unclear.

Adapted from: Standards of conduct, performance and ethics Health and Care Professions Council 2012.

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Award of Festival Attraction Contract for the Summer Period in Princes Street Gardens

Item number	7.26
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report asks the Finance and Resources Committee to note the award of a Festival Attraction for the Summer Period in Princes Street Gardens to Kifdo Limited T/A M&D Events under urgency provisions.

The contract is initially for a period of 24 months from 28 May 2018 to 27 May 2020 with the option to extend for two further 12-month periods with a value of up to £1,090,000.00.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Award of Festival Attraction Contract for the Summer Period in Princes Street Gardens

1. Recommendations

1.1 Committee is asked to:

1.1.1 Note the award of a Festival Attraction for the Summer Period in Princes Street Gardens to Kifdo Limited T/A M&D Events under urgency provisions;

1.1.2 Note that the contract is initially for a period of 24 months from 28 May 2018 to 27 May 2020, with the option to extend for two further 12-month periods with a value of up to £1,090,000.00; and

1.1.3 Note that the decision on this contract award was made under urgency provisions as delays to the evaluation and clarification process meant that the attraction would not be able to start in summer 2018 if a decision was not made before 28 May 2018.

2. Background

2.1 In 2014 the Council had a one off arrangement to host a large wheel in East Princes Street Gardens. Following the success of this contract a tender exercise was carried out in February 2015 for a Wheel during the summer festival period. This contract was awarded on a three year term (two years plus one). The value of this contract was £245,000 in the first year, £250,000 in year two and £285,000 in year three.

2.2 Following the expiry of this contract the Council tendered in early 2018 for a Summer Attraction. There was a desire to avoid limiting the market by specifying a “ferris wheel” as the ultimate priority was a quality event which raised revenue for the Council.

2.3 The Council Standing Orders require a contract of this value to be tendered.

2.4 The Parks, Greenspace and Cemeteries service led on the tendering process for this contract.

3. Main report

3.1 The purpose of the contract is to generate income for the Council and historically the concession has generated over £250,000 annually. The tender sought a first-class cultural attraction for residents and visitors which was sympathetic to the location and includes a refundable bond to safeguard against any reinstatement costs.

3.2 As part of the tender, bidders were invited to provide responses to ten questions covering areas such as the proposed attraction, the project implementation and Health and Safety. In addition, tenderers were invited to deliver a presentation which outlined their proposed attraction.

3.3 These questions and presentations accounted for the “Quality” aspect of the tender and were weighted 40% of total available marks. The remaining 60% was allocated to proposed revenue to the Council over the four year lifetime of the contract with the highest price being allocated full marks and other tenders pricing being prorated against this figure.

3.4 The contract was advertised on 24 January 2018 on Public Contracts Scotland and closed for responses on 19 February 2018. Two tenders were received.

3.5 The Tender Evaluation Panel included representatives from Parks, Greenspace and Cemeteries, Public Safety and Cultural Strategy: Arts, Festivals and Events. The evaluation took place on 6 March 2018 and was followed by presentations from the two respective bidders.

3.6 Both tenderers proposed a “ferris wheel” similar to the style seen in recent years in East Princes Street Gardens.

3.7 The award of the contract was based on the following outcome:

Tenderer	**Price Score**	**Quality Score**	**Overall Tender**
Kifdo Ltd	46.71	29.6	76.31
Tenderer 2	60.00	13.6	73.6

3.8 Kifdo Limited received the highest score and thus were recommended for award of the contract.

3.9 In 2018 the building period for the attraction will be from 18 June 2018 and the attraction will be open to the public from Saturday 30 June 2018 until Sunday 2 September 2018, and de-rigging will take place from 3 September 2018 and be completed by 14 September 2018. Dates for subsequent years will be agreed with the attraction operator but they will follow a similar format of two weeks build followed by a period of opening for approximately 12 weeks and a subsequent derig of two weeks. The attraction will be open during normal opening of the Gardens being open to the public.

4. Measures of success

4.1 The contract award is based on the most economically advantageous tender to have met the technical and commercial requirements.

4.2 In addition the tenderer has committed to delivering the following community benefits;

- 20% discount for EH Postcodes;
- 2,000 free tickets to schools and community groups; and

- A performance space for family events within the site.

5. Financial impact

5.1 The contract will provide the Council with the following fixed fees across four years:

2018	£265,000
2019	£270,000
2020	£275,000
2021	£280,000
Total	£1,090,000

5.2 In addition Kifdo Ltd will pay a sum of £50,000 to the Council before site entry as a bond to cover any damage to the site. The Council will recover any reinstatement costs from this bond.

5.3 The costs associated with procuring this contract are estimated as less than £10,001.

6. Risk, policy, compliance and governance impact

6.1 The contract to be awarded is compliant with procurement regulations and the Council's Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provision of this service is thereby reduced.

7. Equalities impact

7.1 An equality and rights impact assessment has been completed it was identified that charging for access to an event potentially could be exclusionary although this will be mitigated by reduced fees for those residing within Edinburgh.

7.2 The event will be fully accessible to wheelchair users and others with limited mobility.

8. Sustainability impact

8.1 There are no sustainability impacts as a result of this procurement.

8.2 The protection of the site is paramount and the supplier is incentivised to minimise the impact.

9. Consultation and engagement

9.1 East Princes Street Gardens has hosted this activity since 2014 and an annual review is carried out asking internal services, elected members and local stakeholders to evaluate the effect of the event on local surroundings and to gauge any problems that have arisen during and after the event. This information is used to improve the management of subsequent events and to add any specific conditions that are needed in order to mitigate future issues.

9.2 Feedback has focused around the management of pedestrians on the site and risk of damage to the tree canopy. Both have been addressed in the tender with a requirement for the supplier to demonstrate how traffic management will be incorporated and for a Tree Assessment to be carried out and agreed with the Council's foresters prior to site entry.

9.3 In addition, a number of lessons learned from the previous contract have been incorporated into this future contract, these are:

Requirement	**Outcome**
No extension to length of event outside of contract award	This has been the basis of the tender and will be enforced within the contract offer.
Remove gainshare element and incorporate increase within rental fee	The income to the Council will be in the form of a fixed fee.
Requirement for bidders to meet a minimum financial threshold	The tenderers exceeded the minimum turnover amounts.
Residents discount	A discount will be provided to householders with an EH postcode.
Increase quality of the offering	The offering will incorporate an audio historical tour of the city as the wheel rotates.

10. Background reading/external references

10.1 None

Paul Lawrence

Executive Director of Place

Contact: Gareth Barwell, Head of Place Management

E-mail: gareth.barwell@edinburgh.gov.uk | Tel: 0131 529 5844

11. Appendices

1 - Summary of Tendering and Tender Evaluation Processes

Appendix 1

Summary of Tendering and Tender Evaluation Processes

Contract	CT2339 Festival Attraction for the Summer Period in Princes Street Gardens	
Contract Period	28 May 2018 to 27 May 2020 with the option to extend for two further 12-month periods	
Estimated Contract Value (including extensions)	£1,090,000.00	
Procurement Route Chosen	Open Procedure	
Tenders Returned	2	
Recommended Contractors (s)	Kifdo Limited T/A M&D Events	
Price / Quality Split	Price 60%	Quality 40%
Evaluation Criterion and Weightings	**Criteria**	**Weighting (%)**
	Attraction	18%
	Project Implementation	16%
	Project Team	10%
	Customer Care	10%
	Marketing and Communication	5%
	Health and Safety	10%
	Contract Management and Performance	10%
	Fair Working Practices	4%
	Equality and Rights Impact Assessment	3%
	Community benefits	5%
	Presentation	9%
Evaluation Team	Council officers	

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed Lease Extension at 44 High Street, Edinburgh

Item number	8.1
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2, C3

Executive Summary

The retail unit at 44 High Street is let to B & GS Landa Limited and trades as Caledonia.

The lease is due to expire on 26 October 2018 and the tenant has requested a 25 year lease extension.

The report seeks approval to grant a 25 year lease extension to B & GS Landa Limited on the terms and conditions outlined in the report.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Proposed Lease Extension at 44 High Street, Edinburgh, EH1 1TB

1. Recommendations

1.1 That Committee:

1.1.1 Approves a 25 year lease extension to B & GS Landa Limited of retail premises at 44 High 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 44 High Street extends to 55.07 sq m (593 sq ft) or thereby and is shown outlined in red on the attached plan.

2.2 Since July 2011, B & GS Landa Limited have been the tenants at the property operating a clothing and gift shop business. The current rent is £30,500 per annum.

2.3 The existing lease expires on 26 October 2018 and the tenant has requested the Council grant a 25 year lease extension to be effective from 27 October 2018.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects Retail shop at 44 High Street, Edinburgh,
- Lease Extension: 25 years from 27 October 2018 until 26 October 2043,
- Rent: £49,700 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,
- Costs: Tenant responsible for all Council and Legal 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 25 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 to £49,700 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

6.1 This is a 25 year lease extension to the existing tenant who has been trading from the property since July 2011. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

7.1 The proposal in this report to grant an extension of the lease which currently exists on the property does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from this report as it is a lease extension 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 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 None.

Stephen S. Moir

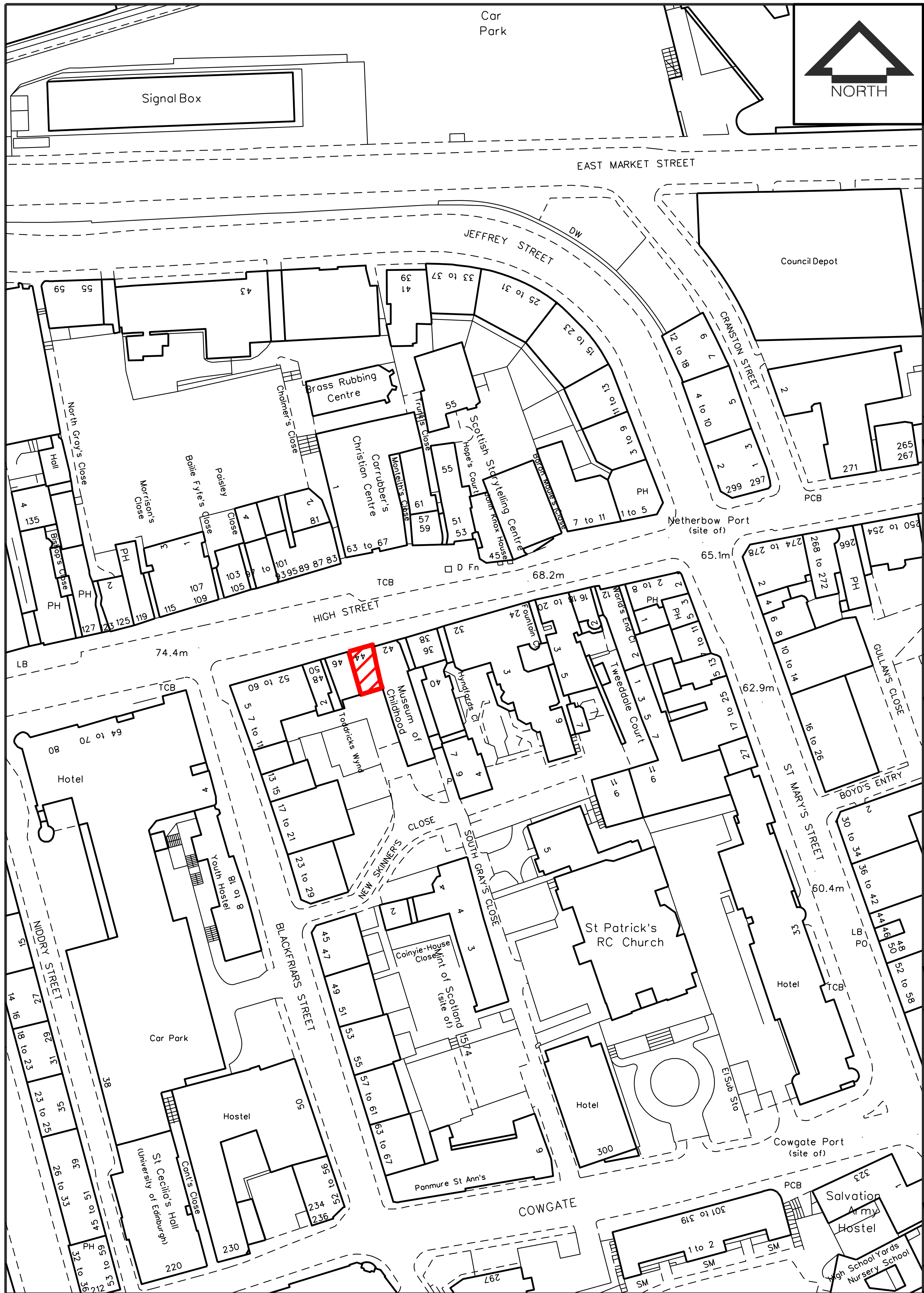
Executive Director of Resources

Contact: Iain Lamont, Investment Portfolio Officer

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

11. Appendices

11.1 Appendix 1 – Location Plan



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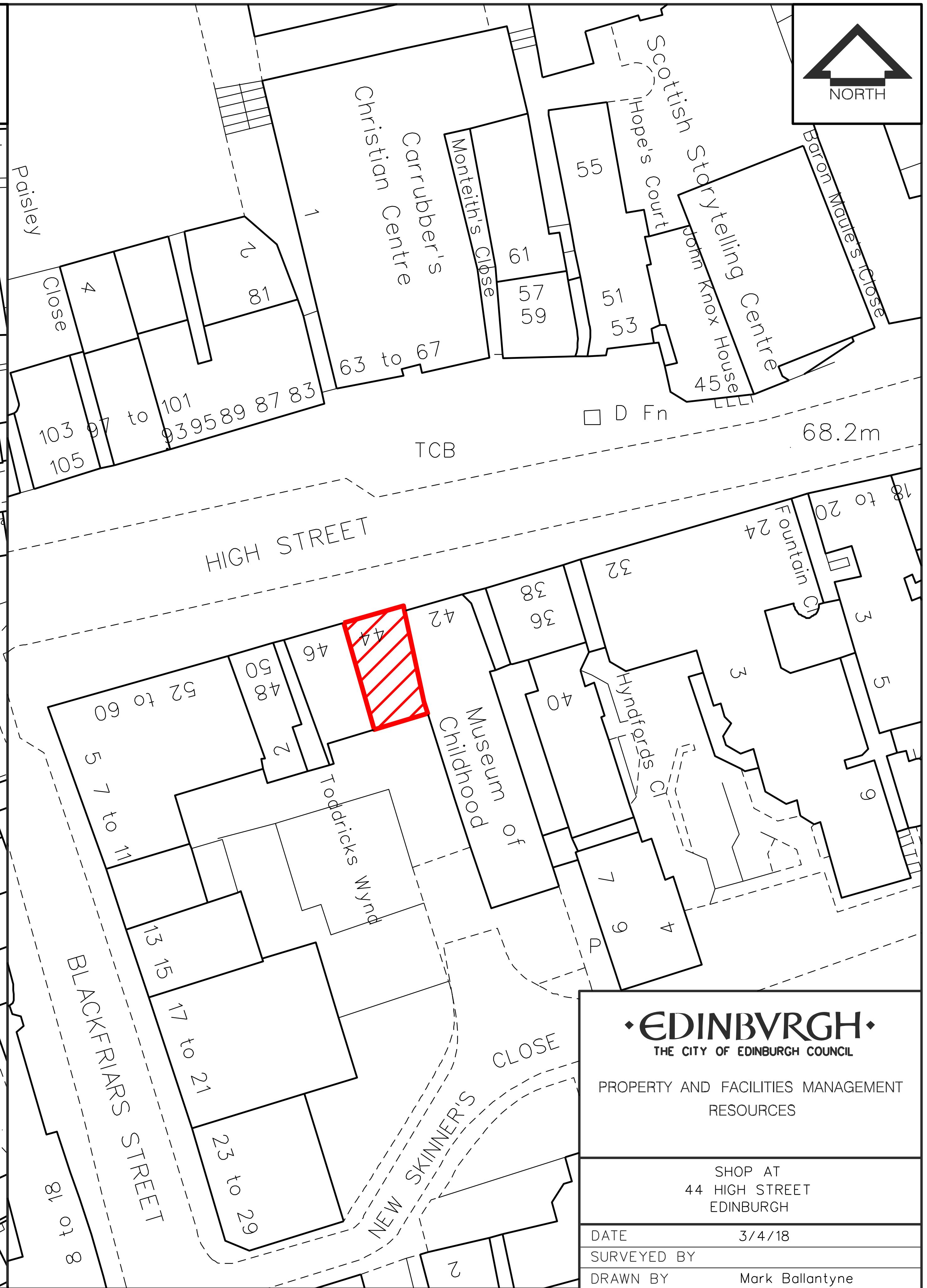

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THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT RESOURCES

SHOP AT
44 HIGH STREET
EDINBURGH

DATE	3/4/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1939

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed Lease Extension at 9 Cockburn Street, Edinburgh

Item number	8.2
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2, C3

Executive Summary

The retail unit at 9 Cockburn Street is currently let to George Sinclair Forsyth MacDonald and trades as Underground Solu'shn.

The lease is due to expire on 4 May 2018 and the tenant has requested a 20 year lease extension.

This report seeks approval to grant a 20 year lease extension to George Sinclair Forsyth MacDonald on the terms and conditions outlined.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Proposed Lease Extension at 9 Cockburn Street, Edinburgh

1. Recommendations

1.1 That Committee:

1.1.1 Approves a 20 year lease extension to George Sinclair Forsyth MacDonald of the retail premises at 9 Cockburn Street 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 9 Cockburn Street extends to 44.77 sq m (482 sq ft) or thereby and is shown outlined in red on the attached plan.

2.2 Since April 2006, George Sinclair Forsyth MacDonald has been the tenant at the property operating as a music shop. The current rent is £18,300 per annum, and is considered to be market value.

2.3 The existing lease expires on 5 May 2018 and the tenant has requested the Council grant a 20 year lease to be effective from 6 May 2018 expiring 5 May 2038.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: 9 Cockburn Street, Edinburgh
- Lease extension: 20 years from 6 May 2018 until 5 May 2038;
- Break Option: Tenant only break option on the 5th anniversary;
- Rent: £18,300 per annum;
- Rent Reviews: Reviewed on each 5th anniversary to open market review.
- Use: Class 1 Retail Use;
- Repairs: Full Repairing and Insuring obligation;
- Other terms: As contained in the subject existing lease.

- Costs: Tenant responsible for all Council and Legal 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 20 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 A rent of £18,300 per annum will continue to the General Property Account.

6. Risk, policy, compliance and governance impact

6.1 This is a 20 year lease extension to the existing tenant who has been trading from the property since April 2006. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

7.1 The proposal in this report to grant an extension of the lease which currently exists on the property does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from this report as it is a lease extension 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 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

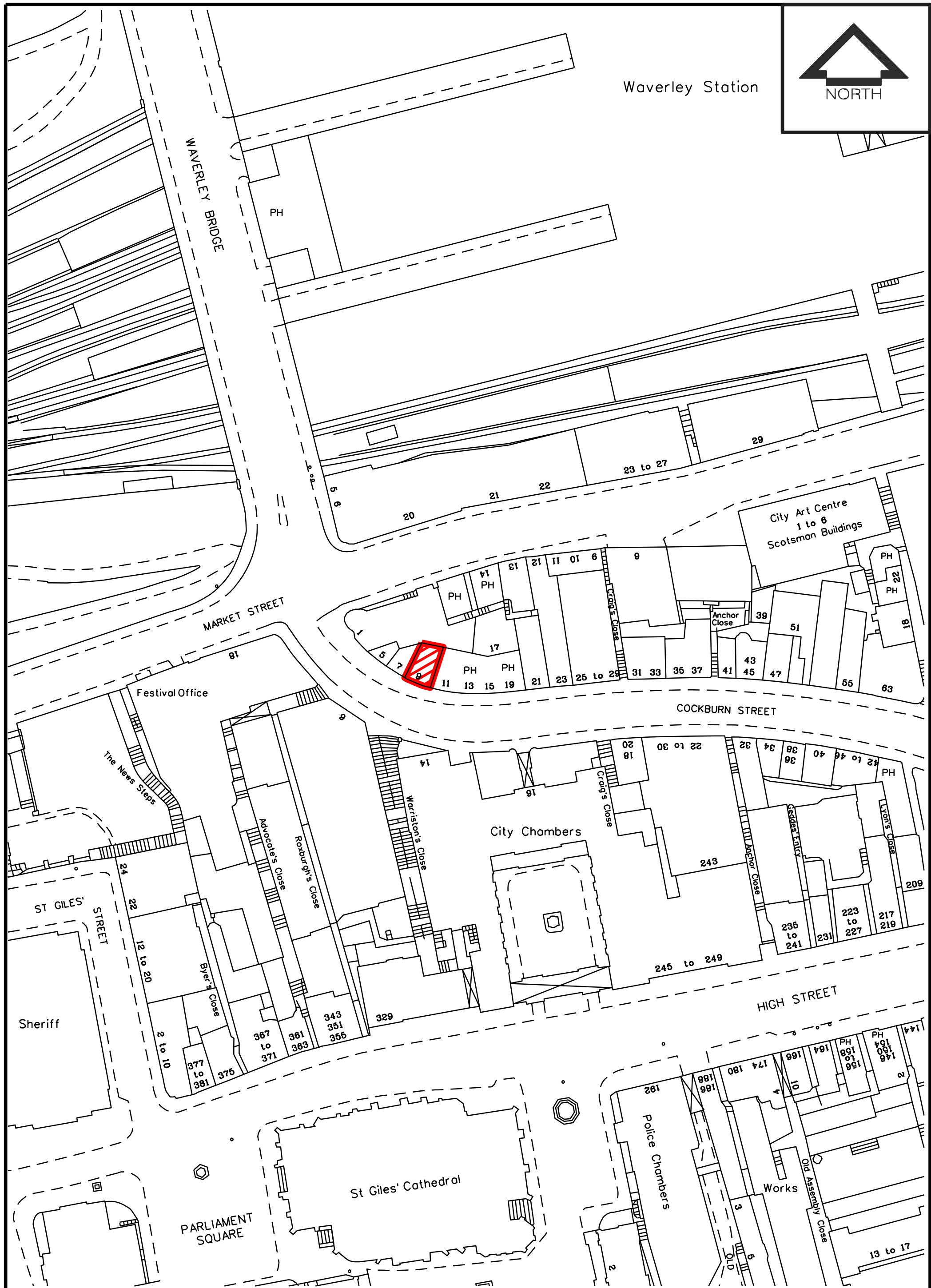
Executive Director of Resources

Contact: Deborah Bruce, Portfolio Officer

E-mail: deborah.bruce@edinburgh.gov.uk | Tel: 0131 469 3931

11. Appendices

Appendix 1 – Location Plan



LOCATION PLAN

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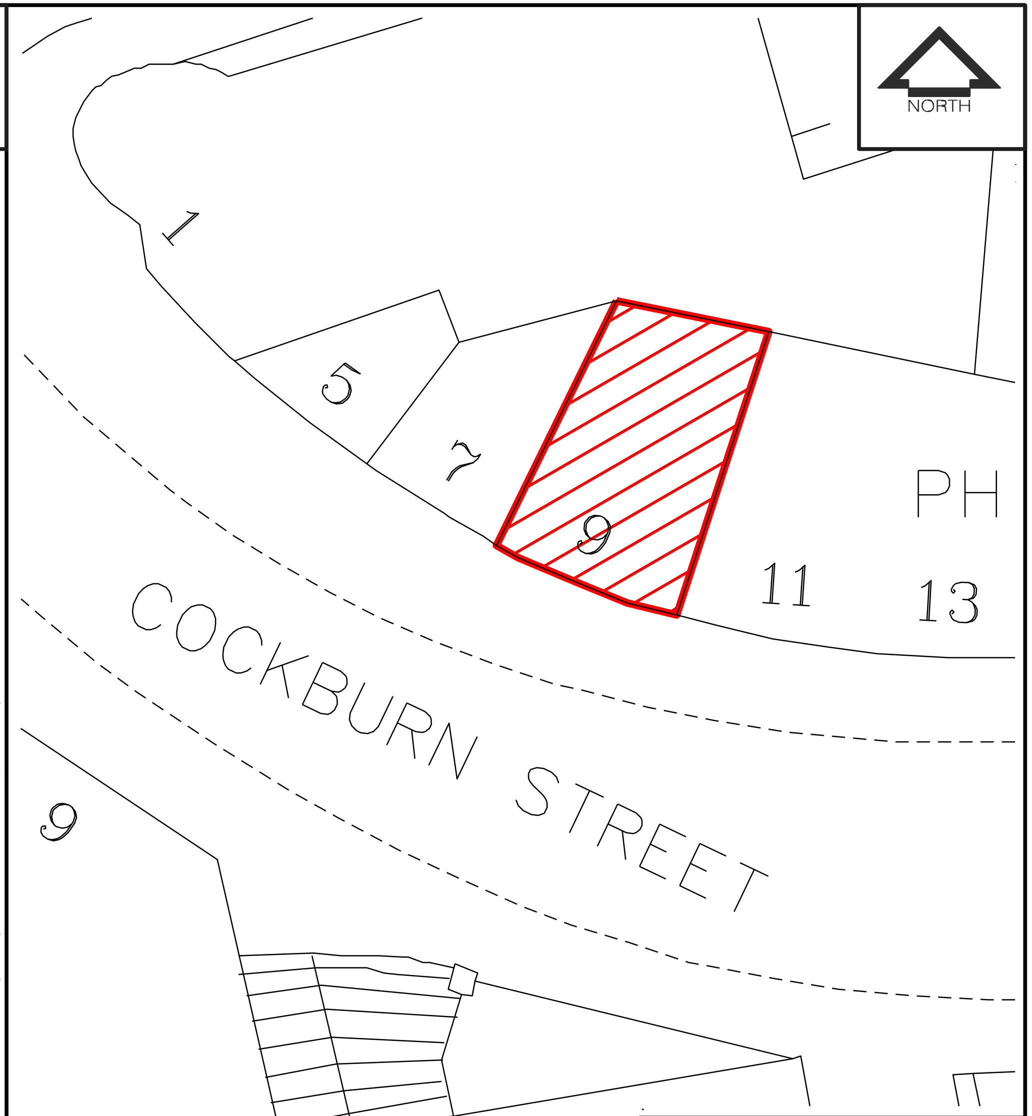


SITE PLAN

•EDINBVRGH•
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

SHOPS AND OFFICES
9 COCKBURN STREET
EDINBURGH

DATE	24/4/18
DRAWN BY	MB
FILE NO.	ES1179/4
NEG. NO.	NT2573/A3/173A

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed Lease Extension at 41 Leith Street, Edinburgh

Item number	8.3
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2, C3

Executive Summary

The retail unit at 41 Leith Street is currently let to Stephen Coyle and Susan Kozlowski and trades as Delifresco Limited.

The lease is due to expire on 6 August 2021 and the tenant has requested a 10 year lease extension.

This report seeks approval to grant a 10 year lease extension to Stephen Coyle and Susan Kozlowski on the terms and conditions outlined in the report.

Report

Proposed Lease Extension at 41 Leith Street, Edinburgh, EH1 3AT

1. Recommendations

1.1 That Committee:

1.1.1 Approves a 10 year lease extension to Stephen Coyle and Susan Kozlowski of the retail premises at 41 Leith Street 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 41 Leith Street extends to 29.91 sq m (322 sq ft) or thereby and is shown outlined in red on the attached plan.

2.2 Since April 2011, Stephen Coyle and Susan Kozlowski have been the tenants at the property operating as a sandwich bar business. The current rent is £14,280 per annum and is considered to be market value.

2.3 The existing lease expires on 6 August 2021 and the tenant has requested the Council grant a 10 year lease extension to be effective from 6 August 2018 expiring 5 August 2028.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: 41 Leith Street, Edinburgh.
- Lease extension: 10 years from 6 August 2018 until 5 August 2028.
- Break Option: Tenant only break option on the 5th anniversary.
- Rent: £14,280 per annum.
- Rent Reviews: Reviewed on the 3rd anniversary of the date of entry then on every 5th anniversary to open market value.
- Use: Class 1 Retail Use.
- Repairs: Full Repairing and Insuring obligation.

- Other terms: As contained in the subject existing lease.
- Costs: Tenant responsible for all Council and Legal 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 A rent of £14,280 per annum will continue 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 2011. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

7.1 The proposal in this report to grant an extension of the lease which currently exists on the property does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from this report as it is a lease extension 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 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

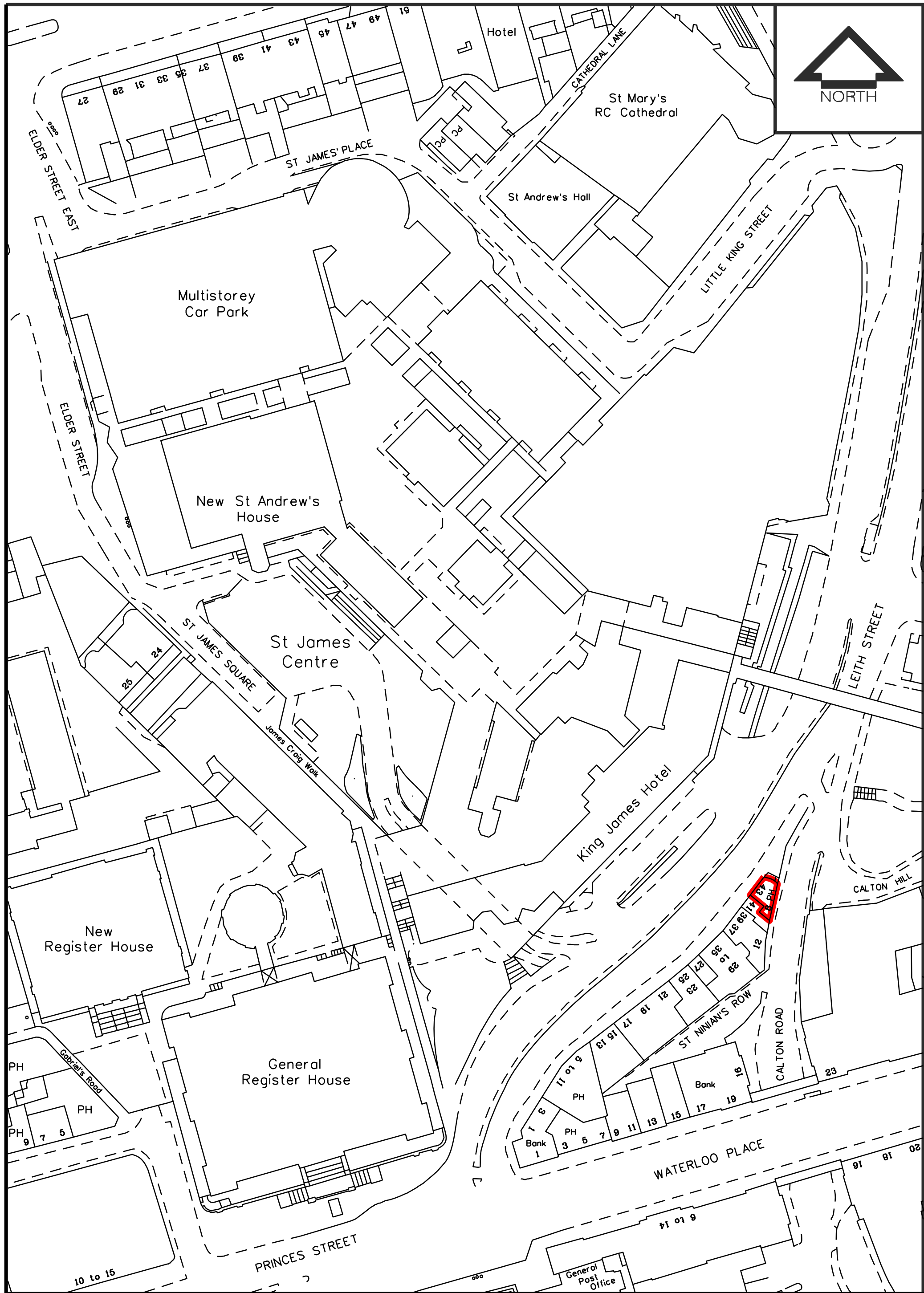
Executive Director of Resources

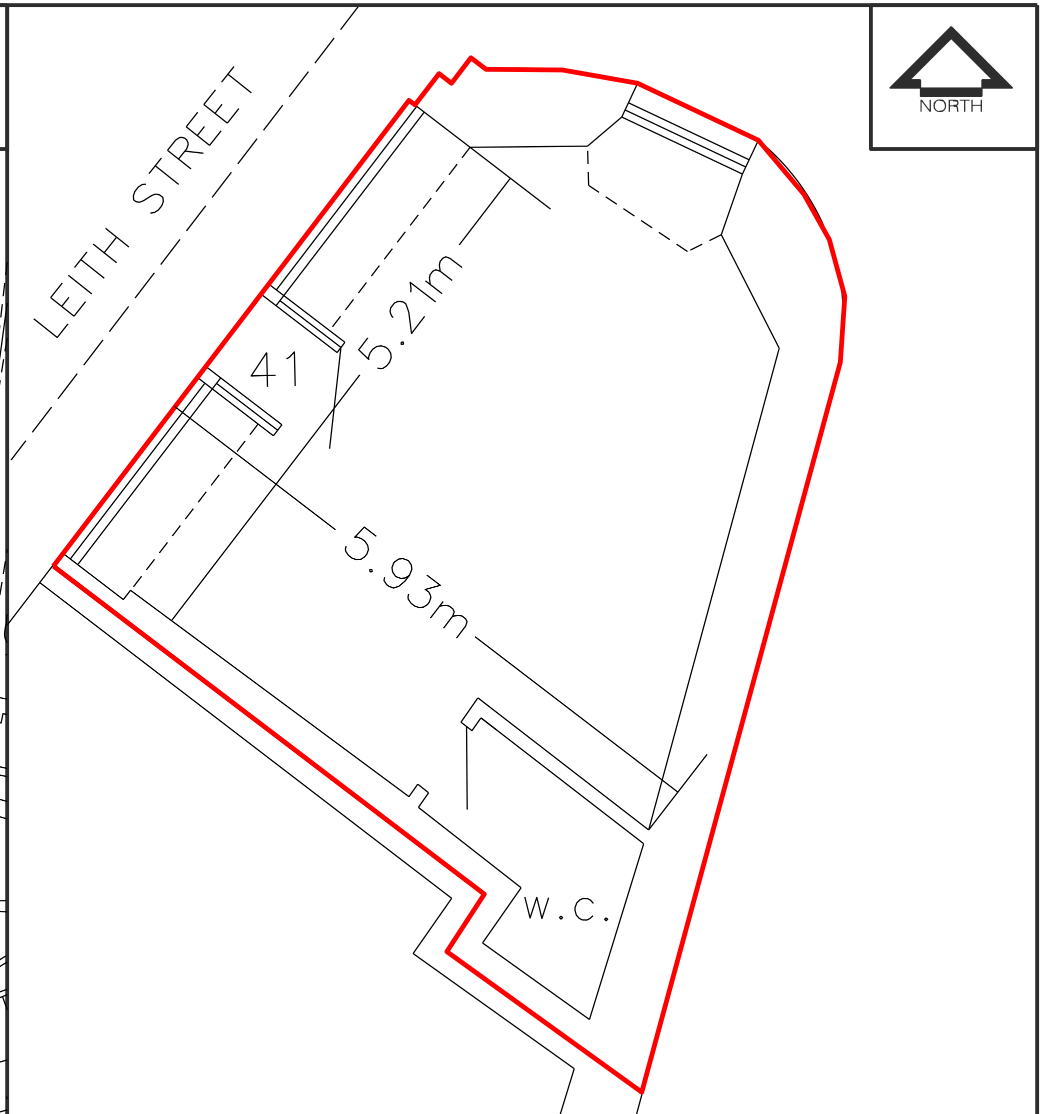
Contact: Deborah Bruce, Portfolio Officer

E-mail: deborah.bruce@edinburgh.gov.uk | Tel: 0131 469 3931

11. Appendices

11.1 Appendix 1 – Location Plan





LOCATION PLAN PHOTOGRAPHICALLY REDUCED NOT TO SCALE SITE PLAN

•EDINBVRGH•
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT RESOURCES

RETAIL UNIT AT 41 LEITH STREET
EDINBURGH
AREA - 40.13sqm.

DATE	22/6/11
SURVEYED BY	MB,FM
DRAWN BY	MB
SCALE	
NEG. NO.	A3/675a

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Festival Theatre, 13-29 Nicolson Street – Proposed new 25-year lease

Item number	8.4
Report number	
Executive/routine	Executive
Wards	15 Southside/Newington
Council Commitments	C2, C46

Executive Summary

The Council lease the Festival Theatre, at 13-29 Nicolson Street, to Capital Theatres Limited (CTL) (formerly Festival City Theatre Trust). The current lease ended on 28 February 2017 and is continuing month to month at present by tacit relocation (silent renewal). For CTL to continue to run the theatre effectively, the security of a long lease is required.

This report seeks approval to grant a new 25-year lease to Capital Theatres Limited on the terms and conditions outlined in the report.

Report

Festival Theatre, 13-29 Nicolson Street – Proposed new 25-year lease

1. Recommendations

1.1 It is recommended that Committee:

1.1.1 Approves the lease of the Festival Theatre to Capital Theatres Limited (CTL) 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 In 1992, the Council refurbished and extended the former Empire Theatre in Nicolson Street to create the Festival Theatre.

2.2 To allow the project to progress, the Council entered into lease agreements with two shop owners to secure the premises located either side of the Empire Theatre. These shops were then demolished to create the site of the new theatre's glass entrance foyer. The solums of both shops have subsequently been acquired and the Festival Theatre site, in its entirety, is now owned by the Council.

2.3 The Council granted a 25-year lease to the Festival City Theatre Trust (now CTL) from 30 March 2002. CTL manages the venue on the Council's behalf and is currently partly funded by the Council.

2.4 The CTL lease payments meet the prudential borrowing payments associated with the acquisition of both shop solums.

2.5 To run the Festival Theatre efficiently and competitively, CTL requires a new lease of at least 25 years. This will allow capital development plans and associated funding requirements to be pursued and realised. Security of tenure will also provide CTL with the essential stability to both secure the best in programmes and performances years in advance, and appropriate sub-tenants to realise related business income opportunities on site.

3. Main report

3.1 CTL has requested a long lease to allow applications for external funding to be submitted, to secure booking productions/acts in advance, and offer subtenants a reasonable duration of occupation.

3.2 The rent received from CTL will cover the outstanding prudential borrowing payments of £128,500pa. This figure is less than the rateable value of £418,000 which gives an indication of the likely market rent which could be achieved, but this is partly offset by maintenance, repairs and all other costs being met by CTL.

3.3 CTL is a non-profit making company which successfully manages the Festivals and Kings theatres for the city. It contributes directly to the success of Edinburgh as an internationally competitive cultural destination by providing for both residents and visitors:

- a core breadth of year-round performance programme choice which would not otherwise be available through commercial offer done.
- a key festivals host venue; and
- a comprehensive, highly regarded, creative community activity and outreach programme for city residents, including ground-breaking dementia-friendly work and relaxed performances.

3.4 The format of activity can only be provided though a mixed economy non-profit making business model which includes public and charitable subsidy and considered rental levels.

3.5 Following negotiations between the Council and CTL, the following terms have been provisionally agreed:

- Subjects: 13-29 Nicolson Street, Festival Theatre;
- Lease Term: 25-year lease from 1 July 2018;
- Break Option: Mutual break options on the 10th, 15th and 20th anniversary (with 6 months' notice);
- Rent: £128,500pa exclusive of VAT (estimated market Value based on rateable value of £418,000**);**
- Repair/Maintenance: Full repairing and insuring
- Use: For use as a Public Theatre and for all theatrical and other similar purposes; and
- Costs Each party to meet their own costs

4. Measures of success

4.1 Granting a new 25-year lease to CTL will contribute to the delivery of the following Culture Plan objectives:

4.2.1 Ensure that everyone has access to world class cultural provision; and

4.2.2 Develop and support the infrastructure which sustains Edinburgh's cultural and creative sectors.

5. Financial impact

5.1 The Council will receive a rent of £128,500 per annum. This figure covers prudential borrowing costs associated with the acquisition of the former shops.

5.2 The opportunity cost of this proposed lease is £418,000

5.3 All other building maintenance, utility, insurance and rates costs will be met by CTL.

6. Risk, policy, compliance and governance impact

6.1 Future risk could arise from CTL business failure. CTL is monitored and audited as a Council arms-length company. The likelihood of business failure is currently very low and a risk assessment is undertaken annually and comprehensive mitigation measures are included in the detailed business case.

7. Equalities impact

7.1 The impact on equalities has been considered. The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that no IIA is required for this report as there is little relevance to equality as the result of the proposed lease extension.

8. Sustainability impact

8.1 The impact on sustainability has been considered. The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that no IIA is required for this report as there is no negative impact on the environment as the result of the proposed lease extension

9. Consultation and engagement

9.1 Council Officers have ensured full engagement with Capital Theatres Limited throughout this process.

9.2 Ward elected members have been made aware of the recommendations contained within this report.

10. Background reading/external reference

10.1 Report to Finance and Resources Committee Report dated 1 December 2016

festival theatre - proposed acquisition of solum of former shop at 13-17 nicolson street

Stephen S. Moir

Executive Director of Resources

Contact: Amanda Fraser, Estates Surveyor

E-mail: amanda.fraser@edinburgh.gov.uk | Tel: 0131 529 5931

11. Appendices

11.1 Location plan.

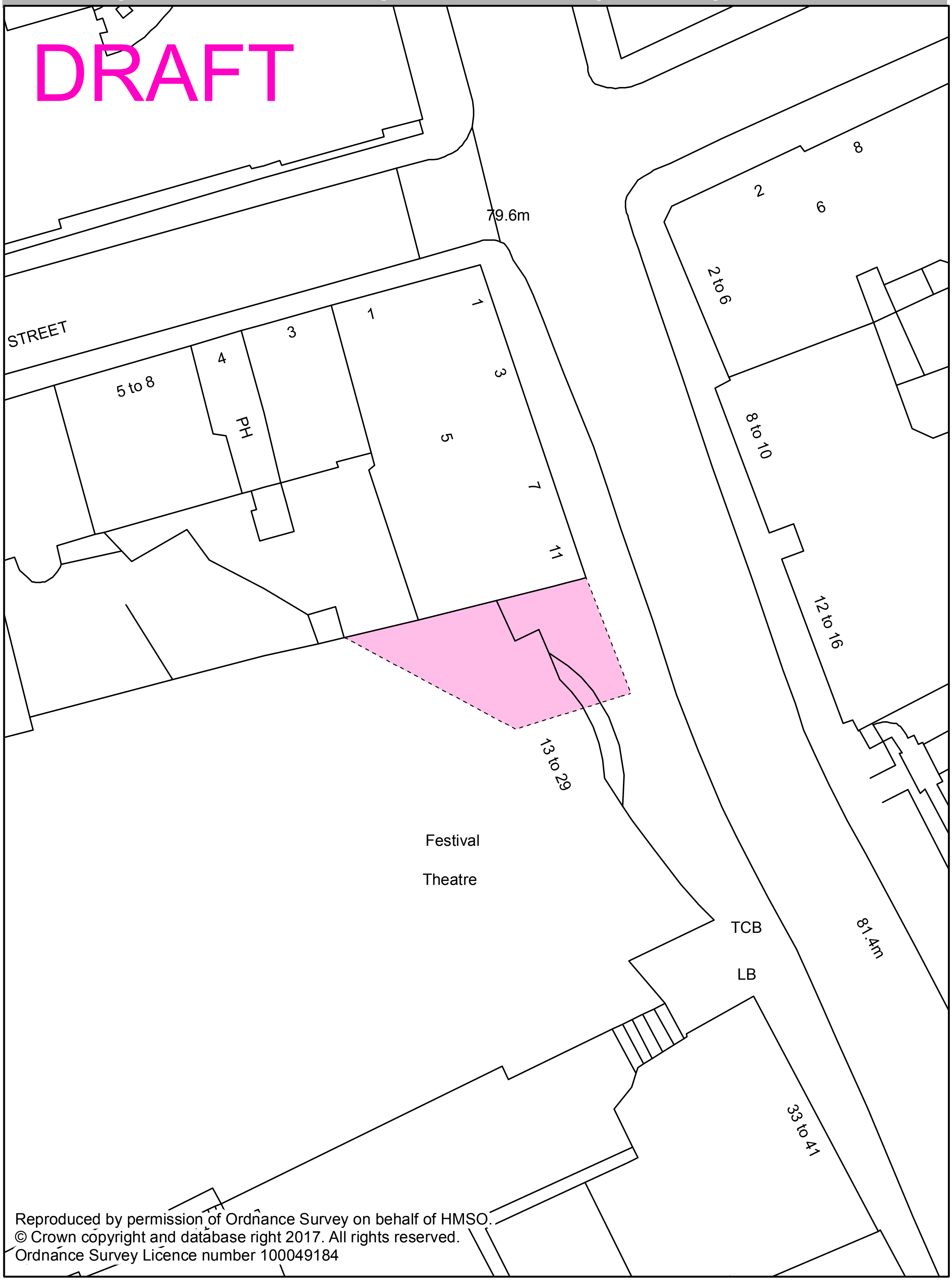
Millar & Bryce

13, 15 and 17 Nicolson Street

Reference: PZ177708/TD
Version: 4.0
Date: February 2017

Co-ordinates at Centre:
Easting: 326,019
Northing: 673,279

Scale: 1:500
Paper Size: A4



Finanace and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed New Lease of Land for a Community Garden at Murrayburn and Hailesland, Edinburgh

Item number	8.5
Report number	
Executive/routine	Routine
Wards	2 – Pentland Hills
Council Commitments	44

Executive Summary

This report provides background context regarding the establishment of community gardens and their current relationship with the concessionary lets policy. It also seeks approval to the grant of a 15-year lease to South West Edible Estates, on the terms and conditions outlined in this report.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Proposed New Lease of Land for a Community Garden at Murrayburn and Hailesland, Edinburgh

1. Recommendations

1.1 That Committee:

1.1.1 Approves the grant of a new 15-year lease to South West Edible Estates on the terms and conditions outlined in this report and on such other terms and conditions that may be proposed by the Executive Director of Resources.

2. Background

2.1 On 16 January 2014, the Finance and Resources Committee considered a deputation from Pilton Community Gardens which led to committee giving officers delegated authority to apply the appropriate letting mechanisms, where it constituted best value when applying the policy of "no more concessionary lets" in the context of community growing initiatives and other similar schemes. A guidance note was issued to neighbourhood managers following that decision which advised that, in practice, land in low value areas, with no development potential, could be leased to community growing projects, at a peppercorn rent and on a short-term basis, in return for the maintenance liability transferring to the group. It was agreed that this arrangement would continue until a review of concessionary lets emerged.

2.2 On 24 September 2015, the Finance and Resources Committee approved the Transformation Programme: Asset Management Strategy, within which a key assumption was maximising income from the investment portfolio by a move from concessionary rental agreements to market rents.

2.3 In order to maximise income from the Council's property portfolio, a minimum rental level will be sought from neighbourhood facilities. The level of rent is dependent on the nature of the facility and proposed use.

2.4 Edible Estates is a collaborative initiative between Re:Solution, a design, management and development practice for urban sustainability projects, and The Health Agency, an established community led organisation which promotes personal and community health and wellbeing in the Wester Hailes area.

2.5 The Edible Estates Initiative was developed to promote urban regeneration and advance community development within social housing estates. This has been principally achieved through establishing community food growing projects on the shared, underutilised greenspace areas in these estates.

2.6 South West Edible Estates is a Scottish Charitable Incorporated Organisation (SCIO) that wants to promote the Edible Estates initiative in Wester Hailes by leasing an area of land in Murrayburn and Hailesland to develop a community garden. A long lease has been requested to satisfy external funding opportunities from, but not limited to, The Climate Challenge Fund.

2.7 The area of land extends 900 sq m, or thereby, across the green corridor between Murrayburn Grove and Hailesland Grove, as outlined in the attached location plan, and comprises a combination of tarmac surface and grass land.

3. Main report

3.1 Planning permission for change of use to a fruit and vegetable garden was granted on 27 October 2017 (ref: 17/03777/FUL). The site is currently underutilised and is not maintained to a high standard. Leasing the area will relieve the Council of the cost of maintaining this land for the period of the lease.

3.2 Draft Heads of Terms have been provisionally agreed for a new 15-year lease on the following main terms and conditions:

- Tenant: South West Edible Estates who are a Scottish Charitable Incorporated Organisation (SCIO);
- Term of lease: 15 years;
- Rent: £250 per annum;
- Rent Free: There will be an initial five year rent free period to cover set up costs;
- Rent Reviews: At the end of the fifth and tenth years to market value for community garden use;
- Break Options: Both the Landlord and the Tenant shall be entitled to terminate the lease at the end of the fifth and tenth years;
- Use: Tenant is permitted to use the subject property as a community garden (with individual growing plots) and for no other purpose;
- Repair/Maintenance: Full repairing and insuring.

3.3 The land is designated open space in the Edinburgh Local Development Plan 2016 and therefore very limited alternative commercial use is considered to exist. The level of rent is considered appropriate for the proposed use of the land.

4. Measures of success

4.1 Establishing a community garden will regenerate an underutilised piece of land, improving amenity standards and residents value of the area.

4.2 A community garden is an asset which will be accessible to all within the estate, providing a space where residents can interact, build knowledge, learn new skills, get involved in the ongoing management of the project, and help develop additional local services which can be delivered within the framework of the project.

5. Financial impact

5.1 South West Edible Estates will be responsible for all maintenance costs, rates and other outgoings associated with the subject property.

5.2 All insurance liabilities will be met by South West Edible Estates, along with the Council's surveying and legal costs incurred during the preparation of the lease.

6. Risk, policy, compliance and governance impact

6.1 As stated above, the proposed community garden aligns with Edinburgh Locality Improvement Plans and wider Council objectives and obligations addressed in, but not limited to, The Community Empowerment Act (2015), the Open Space Strategy and the Edible Edinburgh Plan.

6.2 There is a risk, as with all tenancies, that the tenant will default and the land will revert to the Council, requiring future maintenance expenditure.

7. Equalities impact

7.1 The impact on equalities has been considered. The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that a full IIA is not required for this report as there is little relevance to equality given the services provided by the proposed community garden are at a locality level.

8. Sustainability impact

8.1 The impact on sustainability has been considered. The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that a full IIA is not required for this report as there is no negative impact on the environment as the services provided by the proposed community garden are at a locality level.

9. Consultation and engagement

9.1 As part of the South West Edible Estates Study, commissioned by Wester Hailes Health Agency, the following was carried out:

- A greenspace viability survey to identify the most suitable sites in respect of layout, landscape, access, ownership, condition, existing use etc., for delivery of the proposed community garden.
- Resident consultation, by way of door to door surveys and public meetings, in the targeted neighbourhood. The community food growing proposal received positive feedback, with many residents showing interest in participating in the project.

9.2 Local residents will receive support from South West Edible Estates to set up a community growers association. Once the group is established they will take management responsibility and lead on continual developments to the community garden project.

9.3 Council housing officers from the south west neighbourhood office have been consulted throughout the process and are in support of the project.

9.4 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 Item 3.1 Deputation request – Pilton Community Gardens – Finance and Resources Committee 16 January 2014.

Stephen S. Moir

Executive Director of Resources

Contact: Claire Donaldson, Graduate Surveyor/Technician

E-mail: claire.donaldson@edinburgh.gov.uk | Tel: 0131 529 5772

11. Appendices

11.1 Appendix 1 – Location Plan

Edible Estates	Contact:	Greig Robertson 0781 729 2464
M&H Neighbourhood Garden	Date:	8/8/2017
Location Plan	1:1250	

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

City Fibre Expansion Project – Proposed Ground Leases

Item number	8.6
Report number	
Executive/routine	Routine
Wards	3 – Drum Brae/Gyle, 17 – Portobello/Craigmillar
Council Commitments	C2

Executive Summary

The city's existing 150 km full fibre network is to be expanded citywide to reach nearly every home and business. Through the deployment of additional infrastructure, entire communities and local businesses across Edinburgh will have access to unlimited bandwidth and Gigabit speed connectivity.

To facilitate the above, this report seeks approval to grant a two 20 year ground leases at Barnton Depot and Peffermill Industrial Estate to City Fibre Ltd on the terms and conditions outlined in the report.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

City Fibre Expansion Project – Proposed Ground Leases

1. Recommendations

1.1 That Committee:

1.1.1 Approves new 20 year ground leases to City Fibre Limited at Barnton Depot and Peffermill Industrial Estate on the terms outlined in this this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

2.1 City Fibre Ltd is a builder of Gigabit Cities and phase 1 of their infrastructure works in Edinburgh were completed in October 2016. The city's existing 150 km full fibre network will be expanded citywide to reach nearly every home and business in the city. This investment will help bring the benefits of unlimited bandwidth and Gigabit speed connectivity to entire communities and local business across Edinburgh.

2.2 Edinburgh is set to become one of the first cities in the UK to benefit from the new Vodafone and City Fibre fibre-to-the-premises (FTTP) programme. By using fibre optic cables for every stage of the connection from the customer's home or business to the Internet, users will be offered a significantly superior and more reliable broadband service, capable of Gigabit speeds (1,000 Mbps).

2.3 To facilitate this expansion, City Fibre Limited are seeking locations across Edinburgh to install new data centres. These data centres shall form small compounds, similar to electrical substations.

2.4 Four locations are required and the Council owned properties at Barnton Depot and Peffermill Industrial Estate have been identified as two suitable options. A further report will be brought to a later committee when the remaining two sites have been identified.

3. Main report

3.1 Both Barnton Depot and Peffermill Industrial Estate, King's Haugh have adequate space to accommodate a data centre within a small compound. The site identified at each location is shown shaded red on the attached plans.

3.2 Following negotiations between the Council and City Fibre Limited, the following terms have been provisionally agreed:

- Subjects: Site 1 - Barnton Depot,
  Site 2 - Peffermill Industrial Estate, King's Haugh;
- Lease: 20 year leases from 30 June 2018 until 29 June 2038;
- Break Option: Tenant only break option at any time after the tenth anniversary, on providing no less than 3 months prior written notice;
- Rent (per site): £2,000 per annum;
- Rent Reviews: Reviewed on each fifth anniversary of the term based on RPI increase;
- Use: Class 6 (Site Compound), for the installation of a data centre;
- Repairs: Full Repairing and Insuring obligation, subject to a photographic Schedule of Condition;
- Other terms: Standard commercial lease terms;
- Costs: Tenant responsible for all costs, capped at £500 per transaction.

4. Measures of success

4.1 Granting these 20 year leases will allow the tenant to invest in additional infrastructure, which in turn, will provide both social and economic opportunities for communities and businesses across Edinburgh.

5. Financial impact

5.1 A combined rental income of rent of £4,000 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

6.1 This is a 20 year lease in conjunction with a wider infrastructure investment programme and it is considered that there is minimal or no impact on Risk, Policy, Compliance and Governance issues.

7. Equalities impact

7.1 The proposal in this report to grant the new leases, as part of a wider infrastructure investment project does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from 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

10.1 Not applicable.

Stephen S. Moir

Executive Director of Resources

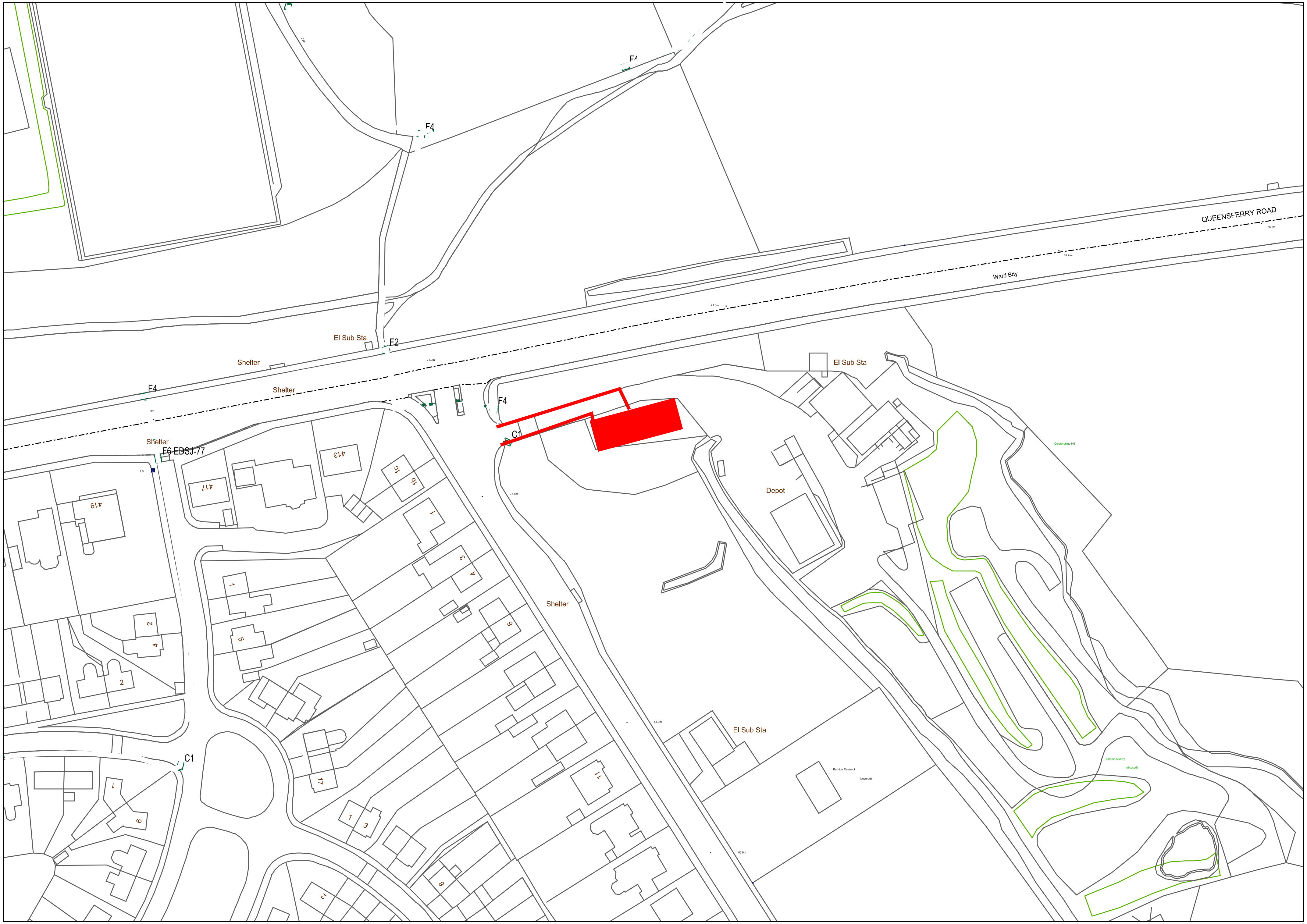
Contact: Andrew McCurrach, Investment Portfolio Officer

E-mail: andrew.mccurrach@edinburgh.gov.uk | Tel: 0131 529 4682

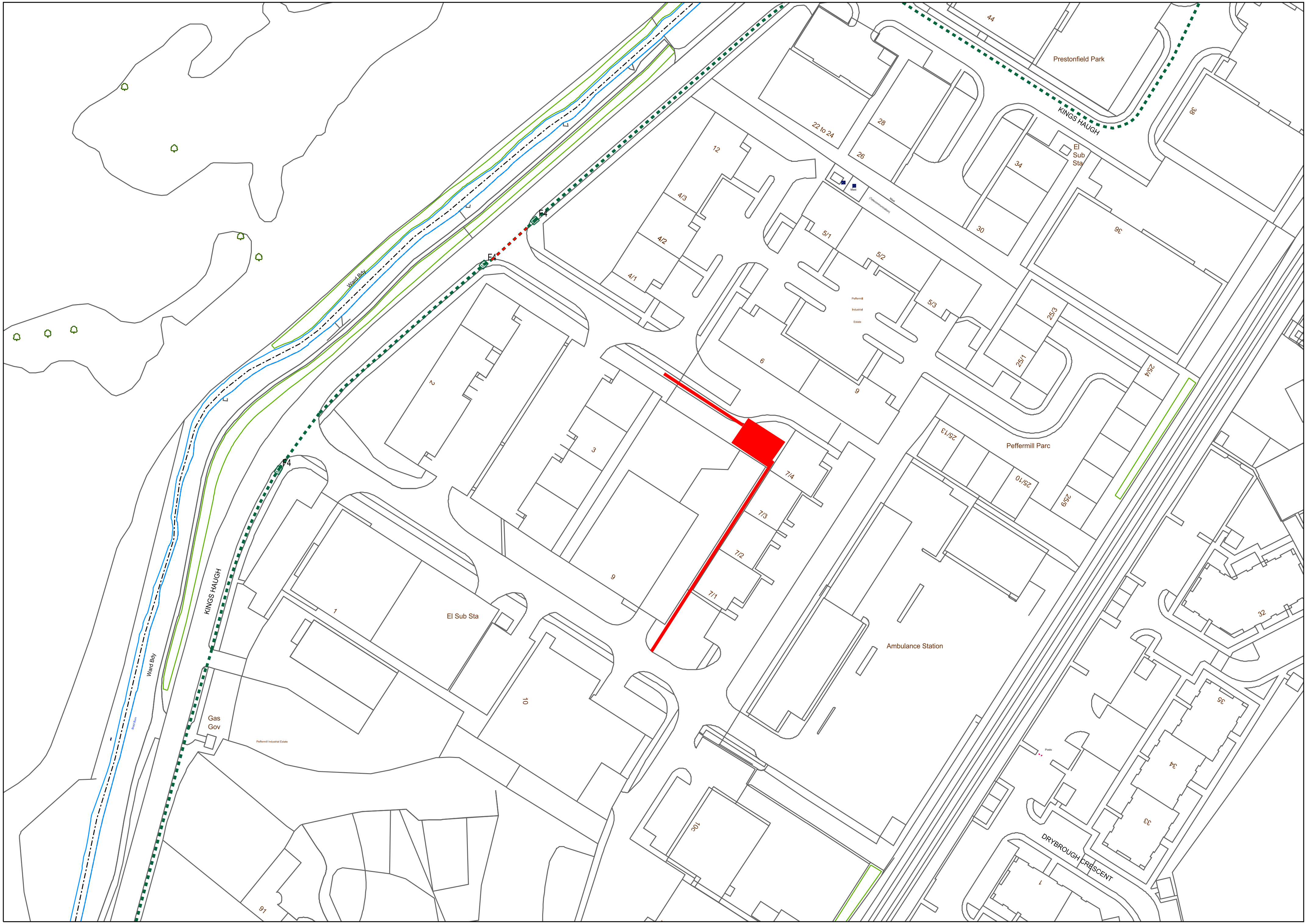
11. Appendices

11.1 Appendix 1- Location Plans

Barnton Depot



Peffermill Industrial Estate



Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed New Lease at Old Stamp Office Close, 221 High Street, Edinburgh

Item number	8.7
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2, C3

Executive Summary

The property at Old Stamp Office Close, 221 High Street, Edinburgh (also known as Lyon's Close, 215 High Street) was previously leased out as the Royal Mile Nursery. The tenant vacated the premises in January 2018.

The property was placed on the open market for lease in February 2018 with a closing date set for 16 March 2018. At the closing date 13 offers were received.

This report seeks approval to grant a 25 year lease to Tron Tourist Services Limited on the terms and conditions outlined in the report.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Proposed New Lease at Old Stamp Office Close, 221 High Street, Edinburgh

1. Recommendations

1.1 That Committee:

1.1.1 Approves a new 25 year lease to Tron Tourist Services Limited of the premises at Old Stamp Office Close, 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 building at Old Stamp Office Close extends to 72.46 sq m (780 sq ft) with a private courtyard adding a further 291.72 sq m (3,140 sq ft) or thereby and is shown outlined in red on the attached plan.

2.2 The property has been leased to Lesley Bothwell who operated the Royal Mile Nursery at a current rent £10,500 per annum. Although the tenant has vacated the lease is still in place. The tenant gave the Council consent to market the premises and the lease will be surrendered at an agreed date.

2.3 The premises were placed on the open market for lease and given the unique nature of the property and location, the marketing exercise generated substantial interest. The closing date resulted in 13 offers and following evaluation of those offers, Tron Tourist Services Limited has been selected as the preferred bidder.

2.4 Tron Tourist Services Limited provided the best commercial offer. Furthermore, Tron Tourist Services Limited will now be able to provide an alternative location for the stall holders displaced from the Tron Kirk.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: Old Stamp Office Close, 221 High Street, Edinburgh.
- Lease Term: 25 years from date of entry.
- Rent: £70,200 per annum.

- Rent Reviews: Reviewed on each 5th anniversary of the date of entry to open market value.
- Use: Building to be used as a team room / café with outside courtyard to provide retail market for up to 17 trader stalls (subject to planning permission).
- Repairs: Full repairing and maintaining obligation.
- Incentives: Six month rent free period from date of entry to account for repair work required.
- Deposit: Tron Tourist Services Limited is a limited company incorporated on 25 May 2016 and unable to provide sufficient trading history and will therefore pay a deposit of £17,500.
- Costs: Both parties to meet their own costs.
- Other terms: As contained in the subjects existing lease.

4. Measures of success

4.1 Granting a new 25 year lease will bring a vacant unit back into commercial use thus reducing the Council's vacant property costs and generating rental income.

5. Financial impact

5.1 An increase in rent to £70,200 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

6.1 This is a new 25 year lease following a full and open marketing process. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

7.1 The proposal in this report to grant a new lease on an existing Council property does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from 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

10.1 Not applicable.

Stephen S. Moir

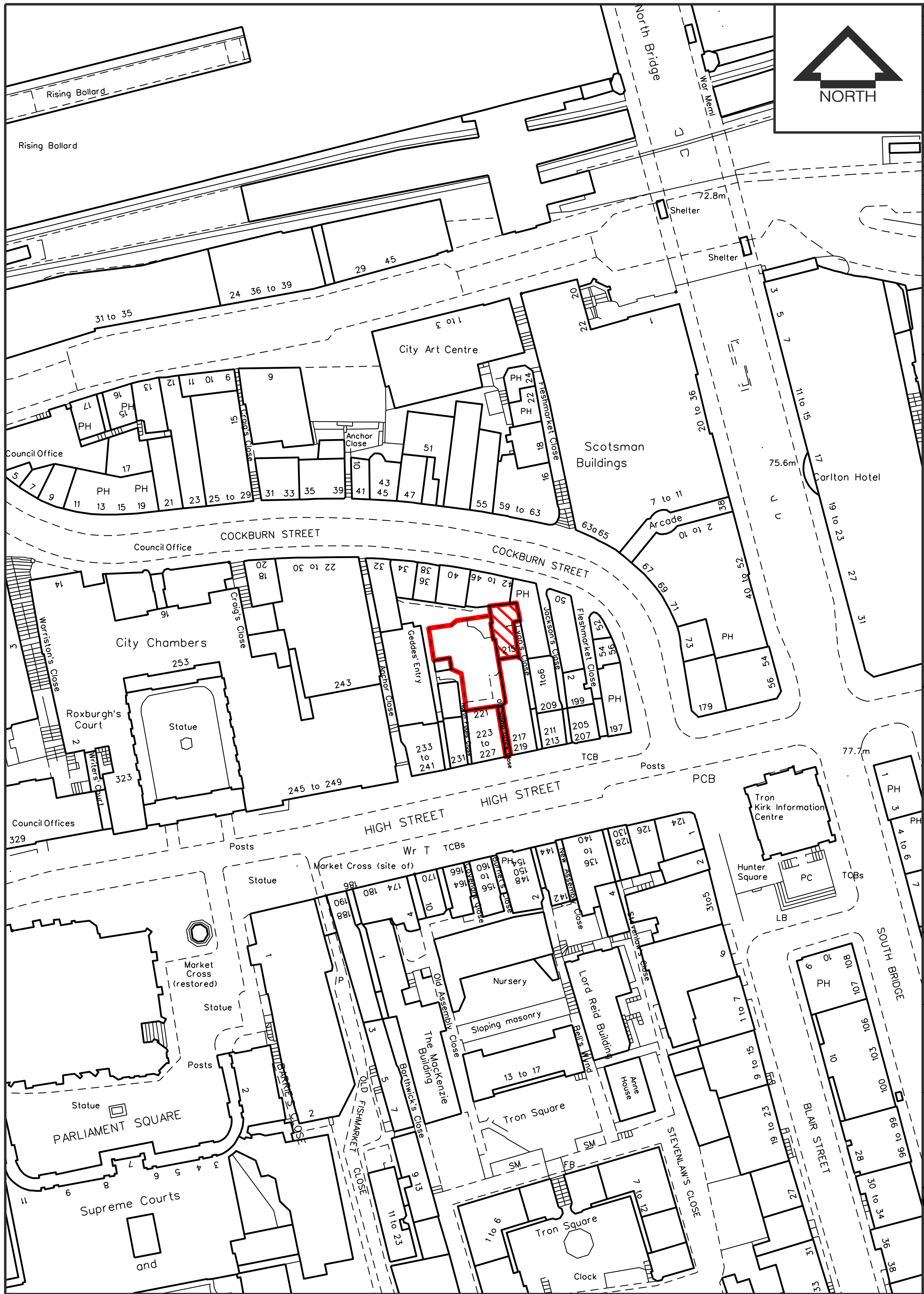
Executive Director of Resources

Contact: Mark Bulloch, Portfolio Manager - Investments

E-mail: mark.bulloch@edinburgh.gov.uk | Tel: 0131 529 5991

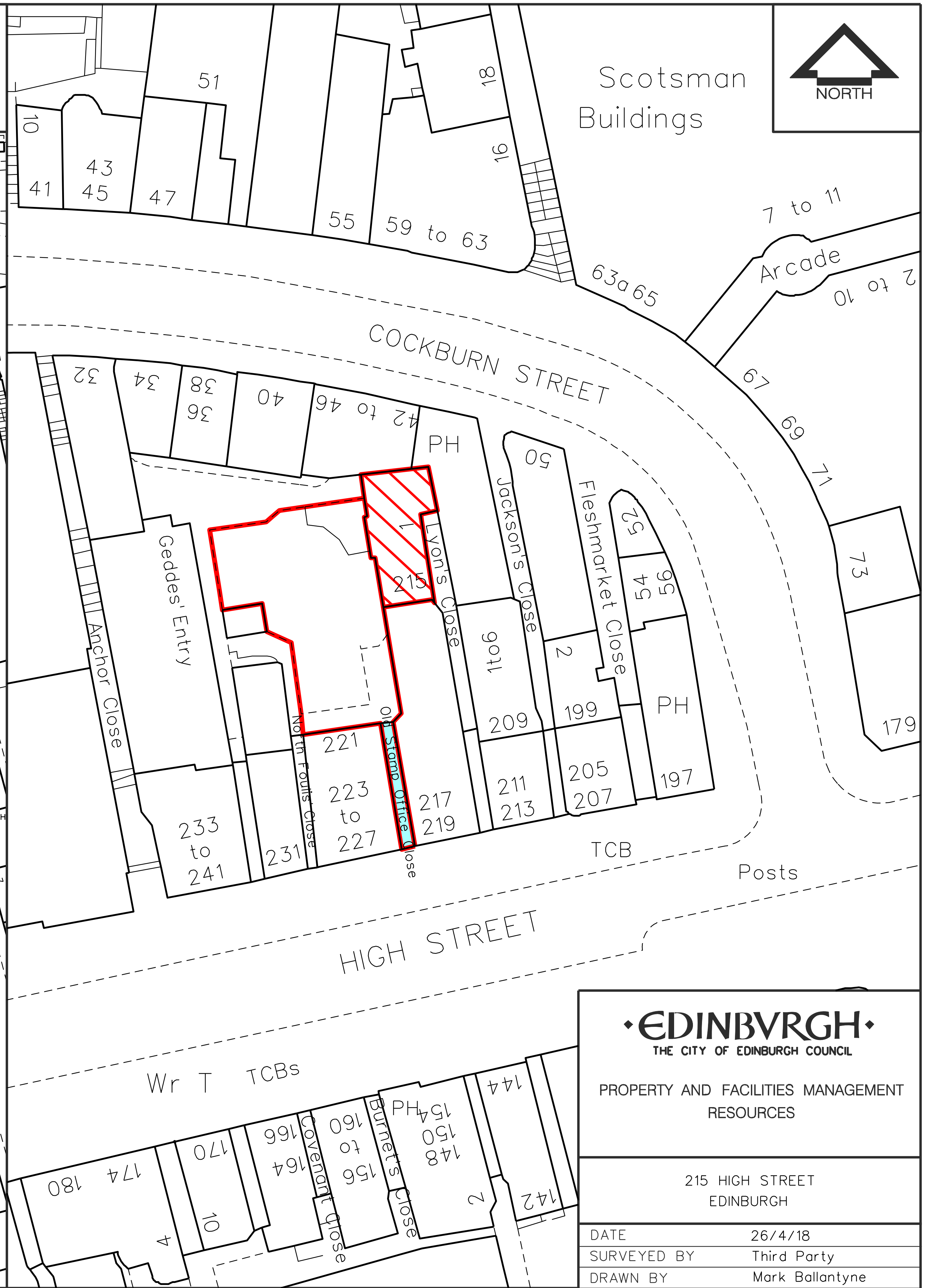
11. Appendices

11.1 Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE



SITE PLAN

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT RESOURCES

215 HIGH STREET
EDINBURGH

DATE	26/4/18
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1865a

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed Lease Extension at 45 Cockburn Street, Edinburgh

Item number	8.8
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2,C3

Executive Summary

The retail unit at 45 Cockburn Street is let to Sahin Vahap Firat and trades as The Wall.

The lease is due to expire on 9 September 2018 and the tenant has requested a 25 year lease extension.

The report seeks approval to grant a 25 year lease extension to Sahin Vahap Firat on the terms and conditions outlined in the report.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Proposed Lease Extension at 45 Cockburn Street, Edinburgh, EH1 1BS

1. Recommendations

1.1 That Committee:

1.1.1 Approves a 25 year lease extension to Sahin Vahap Firat of retail premises at 45 Cockburn 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 45 Cockburn Street extends to 57.48 sq m (619 sq ft) or thereby and is shown outlined in red on the attached plan.

2.2 Since November 2015, Sahin Vahap Firat has been the tenant at the property operating a café business. The current rent is £18,600 per annum.

2.3 The existing lease expires on 9 September 2018 and the tenant has requested the Council grant a 25 year lease extension to be effective from 10 September 2018.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: Retail shop at 45 Cockburn Street, Edinburgh.
- Lease Extension: 25 years from 10 September 2018 until 9 September 2043.
- Rent: £20,300 per annum.
- Rent Reviews: Reviewed on each 5^{th} 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.
- Costs: Tenant responsible for all Council and Legal 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 25 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 to £20,300 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

6.1 This is a 25 year lease extension to the existing tenant who has been trading from the property since November 2015. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

7.1 The proposal in this report to grant an extension of the lease which currently exists on the property does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from this report as it is a lease extension 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 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

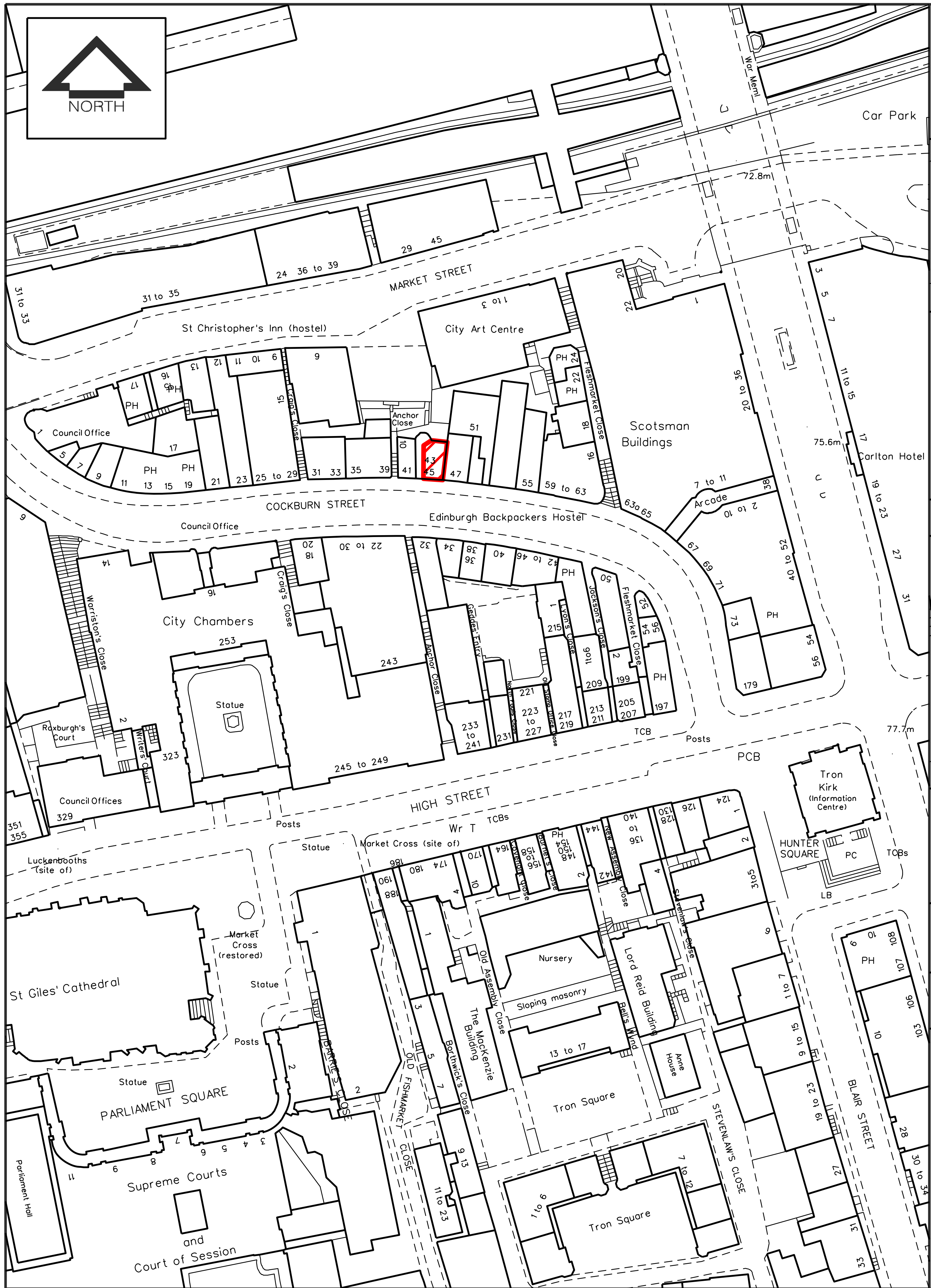
Executive Director of Resources

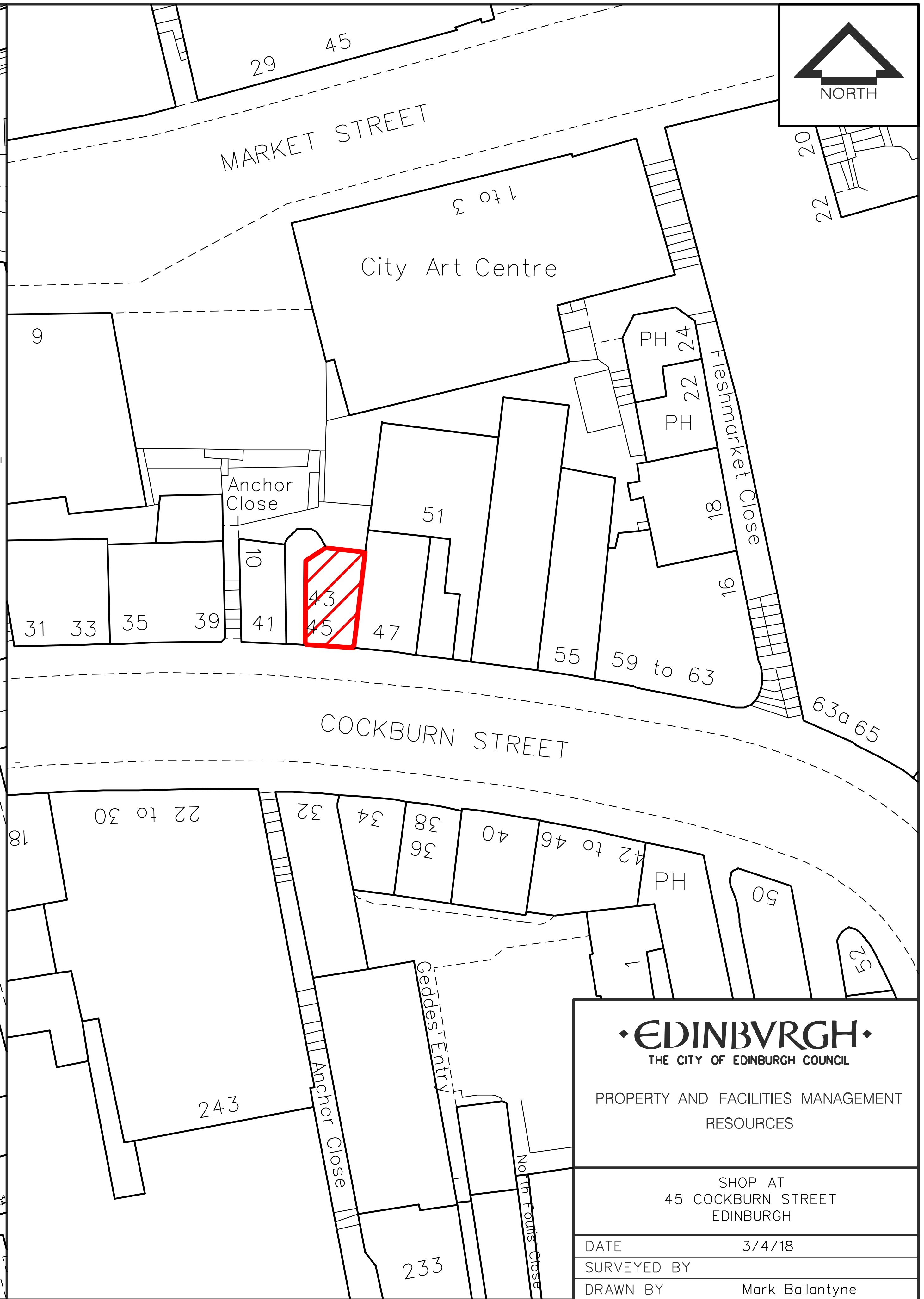
Contact: Iain Lamont, Investment Portfolio Officer

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

11. Appendices

11.1 Appendix 1 – Location Plan





LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT RESOURCES

SHOP AT
45 COCKBURN STREET
EDINBURGH

DATE	3/4/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1938

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed Lease Extension at 47 Cockburn Street, Edinburgh

Item number	8.9
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2, C3

Executive Summary

The retail unit at 47 Cockburn Street is let to Pie In The Sky Limited and trades as Pie In The Sky.

The lease is due to expire on 7 June 2018 and the tenant has requested a 10 year lease extension.

The report seeks approval to grant a 10 year lease extension to Pie In The Sky Limited on the terms and conditions outlined in the report.

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Proposed Lease Extension at 47 Cockburn Street, Edinburgh, EH1 1BS

1. Recommendations

1.1 That Committee:

1.1.1 Approves a 10 year lease extension to Pie In The Sky Limited of retail premises at 47 Cockburn 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 47 Cockburn Street extends to 61.72 sq m (664 sq ft) or thereby and is shown outlined in red on the attached plan.

2.2 Since June 1998, Pie In The Sky Limited have been the tenants at the property operating a clothing and gift shop business. The current rent is £20,100 per annum.

2.3 The existing lease expires on 7 June 2018 and the tenant has requested the Council grant a 10 year lease extension to be effective from 8 June 2018.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: Retail shop at 47 Cockburn Street, Edinburgh.
- Lease Extension: 10 years from 8 June 2018 until 7 June 2028.
- Break Option: Tenant only break option on the 5th anniversary.
- Rent: £23,100 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.

- Costs: Tenant responsible for all Council and Legal 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 to £23,100 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 June 1998. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

7.1 The proposal in this report to grant an extension of the lease which currently exists on the property does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

8.1 There are no sustainability issues arising from this report as it is a lease extension 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 Ward elected members have been made aware of the recommendations of the report.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

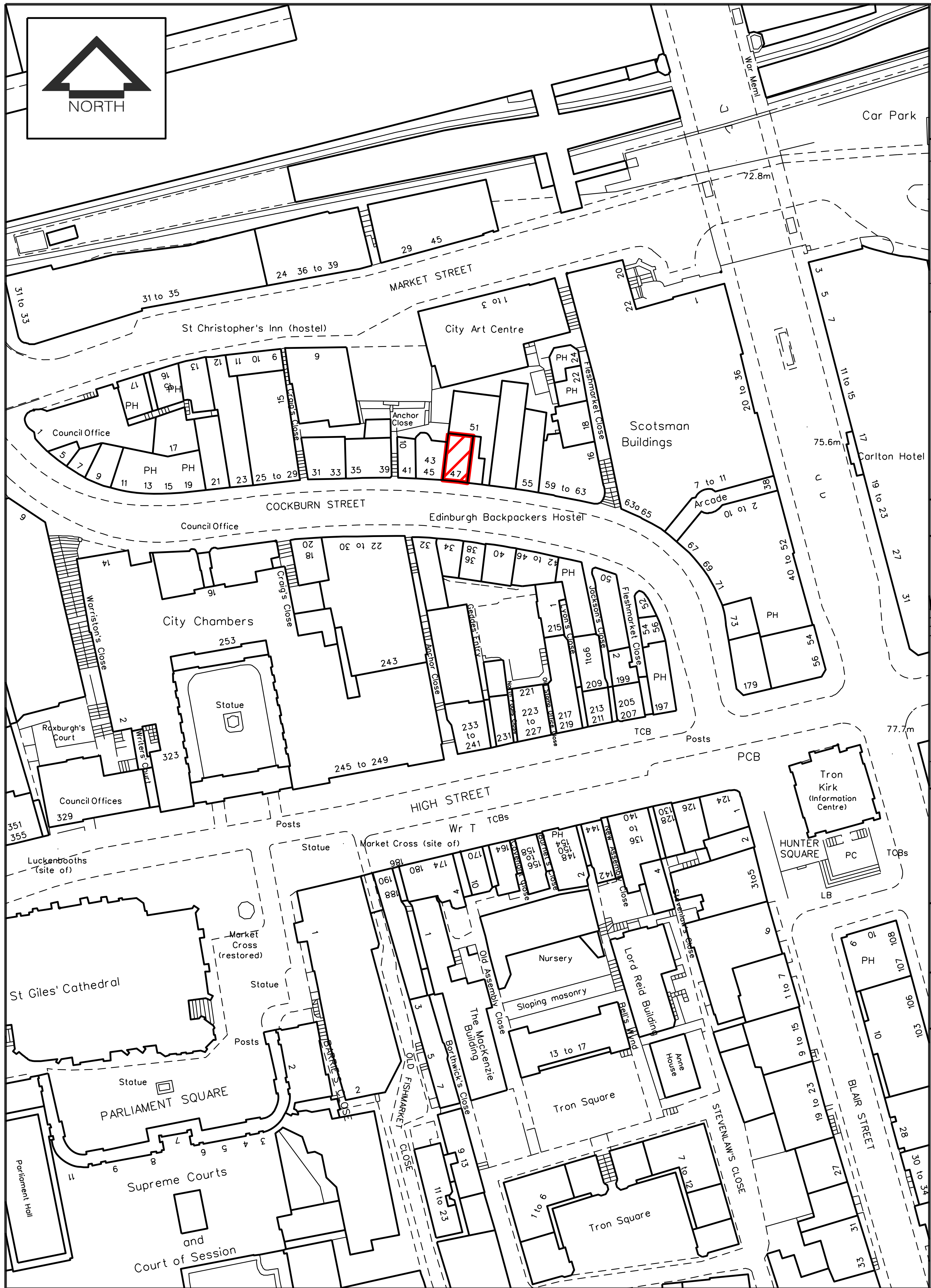
Executive Director of Resources

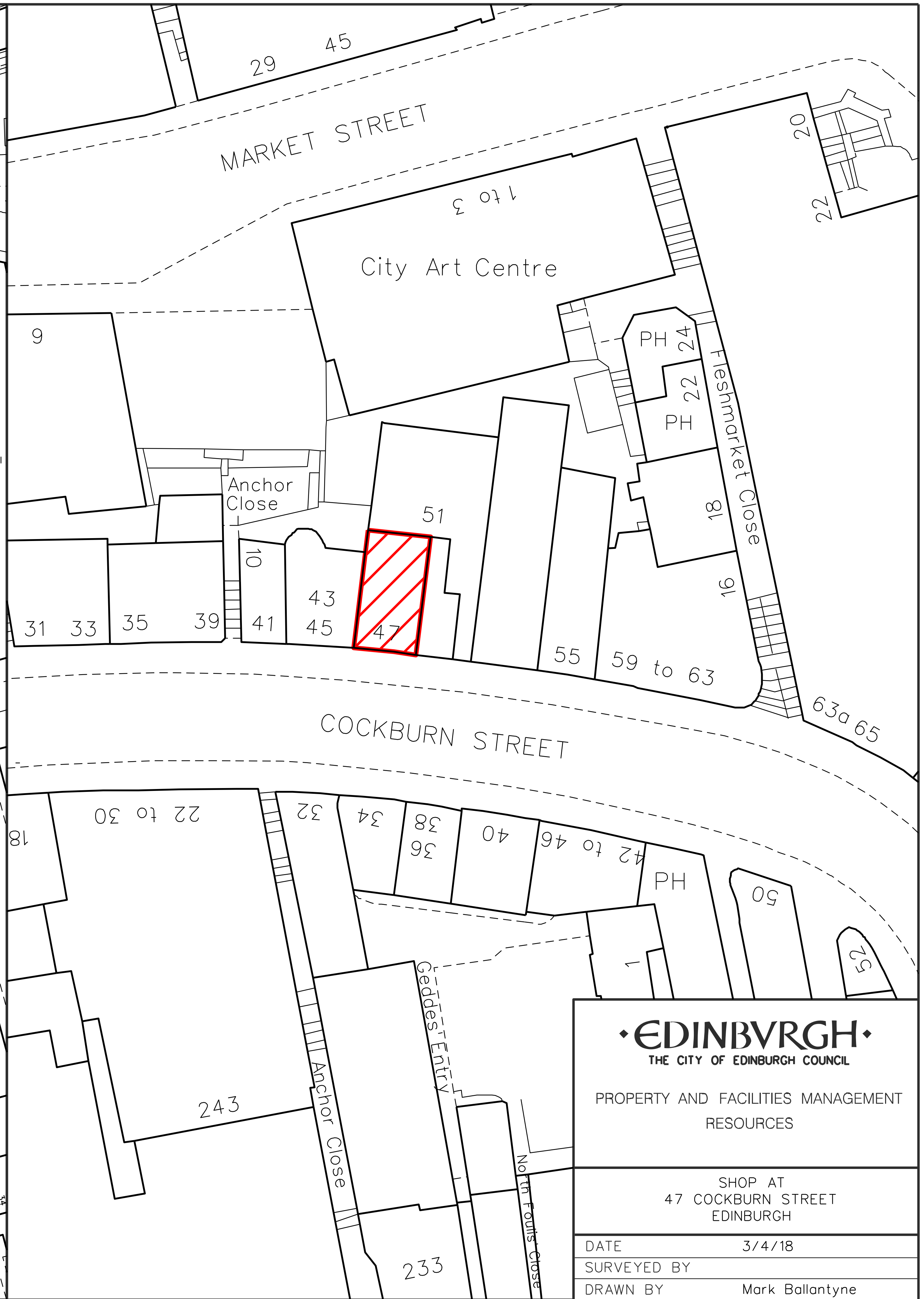
Contact: Iain Lamont, Investment Portfolio Officer

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

11. Appendices

11.1 Appendix 1 – Location Plan





PROPERTY AND FACILITIES MANAGEMENT RESOURCES

SHOP AT
47 COCKBURN STREET
EDINBURGH

DATE	3/4/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1384a

LOCATION PLAN   PHOTOGRAPHICALLY REDUCED NOT TO SCALE   SITE PLAN

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Summary Report on Property Transactions concluded under Delegated Authority

Item number	8.10
Report number	
Executive/routine	Routine
Wards	City-wide
Council Commitments	C2

Executive Summary

To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.

This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions out-with these parameters are reported separately to Committee.

Report

Summary Report on Property Transactions concluded under Delegated Authority

1. Recommendations

1.1 That Committee:

1.1.1 Notes the 20 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Officers.

2. Background

2.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

3. Main report

3.1 Appendix 1 provides details of 20 transactions completed under delegated authority since the last quarterly report.

3.2 These transactions include 2 new leases, 6 rent reviews, 5 lease renewal/extensions and 2 events and licenses leases totalling £320,462.

3.3 4 disposals have also been completed, totalling £739,222.

4. Measures of success

4.1 Not applicable.

5. Financial impact

5.1 There are no financial implications as a result of this report

6. Risk, policy, compliance and governance impact

6.1 There are no risk, policy, compliance or governance impacts as a result of this report.

7. Equalities impact

7.1 Equalities and Rights Impact Assessments have been carried out on all of the enclosed transactions where appropriate.

8. Sustainability impact

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

9. Consultation and engagement

9.1 Not applicable.

10. Background reading/external references

10.1 None

Stephen S. Moir

Executive Director of Resources

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11. Appendices

11.1 Appendix 1 – List of Transactions

APPENDIX 1

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
1. EST/42/13 91/6(4)/AF	11– City Centre	Communities and Families	South Bridge Resource Centre – Hall, Rooms 1 and 3, Conference room and cupboard.	Greenside Venues Ltd	Festival Performance Space	**Old Rent:** £ 13,800 (last years rent) **New Rent:** £ 14,500 for period **Lease Period**: 23 July 2018 to 29 August 2018 **Payable:** in advance
☑ **ERIA received?**	**REMARKS: Short term lease for festival**					

EVENTS & LICENCES FOR WORKS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. 8407/24 FM	11 – City Centre	Resources (General Fund)	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Edinburgh International Film Festival	Film Exhibition	**New Rent:** £1, if asked **Lease Period:** 29 May – 4 Jul 2017 **Payable:** In advance
☑ **ERIA received?**	**REMARKS:** ***£200 admin fee***					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. 8407/24 FM	11 – City Centre	Resources (General Fund)	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Underbelly Ltd	Festival Square Theatre, Winter 2017/18	**New Rent:** £1, if asked **Lease Period:** 30 Oct 2017 – 9 Jan 2018 **Payable:** In advance
☑ **ERIA received?**	**REMARKS:** ***£200 admin fee***					

LEASE EXTENSIONS/ RENEWALS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
4. 20370/6 IL	9 – Fountainbridge/ Craiglockhart	General Property	Unit 42, West Gorgie Park, Edinburgh, EH14 1UT	Caledonian Heating & Plumbing Ltd	Industrial (Class 4,5)	**Old Rent:** £10,000 per annum **New Rent:** £10,900 per annum **From:** 14 December 2017 to 13 December 2022 **Payable:** Quarterly in Advance
☑ **ERIA received?**	**REMARKS: GIA = 111.57 sq m (1,201 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
5. 7171 IL	11 – City Centre	General Property	15 Grassmarket, Edinburgh, EH1 2HS	Chi Yuen Sun & Hilda Sheek Ching Liu	Retail (Class 1)	**Old Rent:** £10,075 per annum **New Rent:** £10,800 per annum **From:** 1 January 2018 to 31 January 2022 **Payable:** Quarterly in Advance
☑ **ERIA received?**	**REMARKS: NIA = 47.25 sq m (509 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
6. 8373 IL	12 – Leith Walk	General Property	27 East Norton Place, Edinburgh, EH7 5DR	Director of Health & Social Care	Office / Day Centre (Class 2)	**Old Rent:** £16,000 per annum **New Rent:** £18,500 per annum **From:** 4 February 2018 to 3 February 2023 **Payable:** Quarterly in Advance
☑ **ERIA received?**	**REMARKS: GIA = 155.65 sq m (1,675 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
7. 723/14 IL	13 – Leith	General Property	Unit 22/24 Tennant Street, Edinburgh, EH6 5ND	Edinburgh Community Food Ltd	Industrial (Class 4 & 5)	**Old Rent:** £23,200 per annum **New Rent:** £24,460 per annum **From:** 14 January 2018 to 13 January 2023 **Payable:** Monthly in Advance
☑ **ERIA received?**	**REMARKS: GIA = 355.25 sq m (3,824 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
8. PP-01-U06 IL	17 – Portobello / Craigmillar	General Property	Unit 13 Peffermill Parc, Edinburgh, EH16 5UY	Behlen Ltd	Industrial (Class 4 & 5)	**Old Rent:** £9,600 per annum **New Rent:** £10,200 per annum **From:** 15 October 2017 to 14 October 2022 **Payable:** Quarterly in Advance
☑ **ERIA received?** **REMARKS: GIA = 126.43 sq m (1,361 sq ft)**						

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
9. 17314/2 IL	7 – Sighthill / Gorgie	General Property	Unit 2 Broomhouse Workspace, New Lairdship Yard's, Edinburgh, EH11 3HY	Darren & Anne Docherty	Industrial (Class 4 & 5 Use)	**Old Rent:** £6,220 per annum **New Rent:** £6,500 per annum **From:** 1 January 2018 – 31 January 2023. **Payable:** Monthly in Advance.
☑ **ERIA received?**	**REMARKS: GIA = 68.74 sq m (740 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
10. 16496/3 IL	7 – Sighthill / Gorgie	General Property	Unit 3 Sauchiebank, Russell Road Industrial Estate, Edinburgh, EH11 2NN	Grease Monkey (Scotland) Ltd	Industrial (Class 4 & 5 Use)	**Old Rent:** £6,500 per annum **New Rent:** £6,800 per annum **From:** 1 December 2017 – 30 November 2022. **Payable:** Monthly in Advance.
☑ **ERIA received?**	**REMARKS: GIA = 66.42 sq m (715 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
11. 7174 IL	11 – City Centre	General Property	66 Grassmarket, Edinburgh, EH1 2JR	William J L Baber	Retail (Class 1 Use)	**Old Rent:** £20,250 per annum **New Rent:** £22,400 per annum **From:** 5 December 2017 – 4 December 2022. **Payable:** Quarterly in Advance.
☑ **ERIA received?**	**REMARKS: ITZA = 64.10 sq m (690 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
12. 14167/2 IL	11 – City Centre	General Property	5 Cockburn Street, Edinburgh, EH1 1BP	Yi Sun	Retail (Class 1 Use)	**Old Rent:** £7,340 per annum **New Rent:** £8,680 per annum **From:** 1 October 2017 – 27 November 2019. **Payable:** Half yearly in Advance.
☑ **ERIA received?**	**REMARKS: ITZA = 20.16 sq m (217 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
13. 13849/25a IL	11 – City Centre	General Property	16 High Street, Edinburgh, EH1 1BP	Gillian Heather Thorburn	Retail (Class 1 Use)	**Old Rent:** £23,750 per annum **New Rent:** £31,120 per annum **From:** 1 October 2017 – 30 September 2022. **Payable:** Monthly in Advance.
☑ **ERIA received?**	**REMARKS: NIA = 68.24 sq m (734 sq ft)**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS (including area in sq ft)	TENANT	USE	TERMS
14. 16513/7 IL	13 – Leith	General Property	33 Tennant Street, Edinburgh, EH6 5NA	Bunzl UK Ltd	Ground Lease Industrial Development on ground (Class 4 / 5 Use)	**Old Rent:** £8,500 per annum **New Rent:** £9,000 per annum **From:** 1 October 2017 – 1 October 2022. **Payable:** Half yearly in Advance.
☑ **ERIA received?**	**REMARKS: Area = 0.14 Hectares (0.37 Acres)**					

DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
15. GM		General Property	Lanark Road, 432 (Former Ravensglass Hostel)		Residential	**Purchase price:** £616,722 **Date of entry:** 29 March 2018 **Sale concluded:** 29 March 2018
☑ **ERIA received?**	**REMARKS: Highest offer following open market tender.**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
16. DS		General Property	Brandon Terrace, 50 (Canonmills)	Edinburgh MI Ltd		**Purchase price:** £80,000 **Date of entry:** 27 February 2018 **Sale concluded:** 27 February 2018
☑ **ERIA received?**	**REMARKS: Highest offer following open market tender.**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
17. CD		General Property	Broomhouse Road South	Jim Rice	Residential	**Purchase price:** £35,000 **Date of entry:** 26 January 2018 **Sale concluded:** 26 January 2018
☑ **ERIA received?**	**REMARKS: Negotiated sale with adjoining land owner.**					

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
18. MB		General Property	24 – 26 West Harbour Road (House 4)	Landeasy Ltd	Residential	**Purchase price:** £7,500 **Date of entry:** 04 January 2018 **Sale concluded:** 04 January 2018
☑ **ERIA received?**	**REMARKS: Final phased payment for house plot 4.**					

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Framework Agreement for Supported Bus Services

Item number	8.11
Report number	
Routine	Routine
Wards	All
Council Commitments	Commitment 19

Executive Summary

This report seeks the approval of the Finance and Resources Committee to establish a Framework Agreement for the Supply of Supported Bus Services in the city, and to award seven providers a place on the Framework Agreement.

The term of the Framework Agreement will be for four years, commencing 2 July 2018 to 1 July 2022.

The total estimated value of contracts that may be awarded under the Framework Agreement is £4,800,000.

Report

Framework Agreement for Supported Bus Services

1. Recommendations

1.1 It is recommended that the Finance and Resources Committee approves:

1.1.1 the establishment of a Framework Agreement for Supported Bus Services for four years, commencing on 2 July 2018 to 1 July 2022 to the estimated value of £4,800,000; and

1.1.2 the award a place on this Framework Agreement to the following seven providers:

- Borders Buses Ltd;
- E & M Horsburgh;
- Edinburgh Coach Lines Ltd;
- Fife Scottish Omnibuses Ltd t/a Stagecoach East Scotland;
- First Scotland East Ltd;
- Lothian Buses; and
- Romadero Ltd t/a Waverley Travel.

2. Background

2.1 The Council currently funds seven supported bus routes, principally for reasons of social inclusion and the support of local communities in order to enhance connectivity and accessibility where a social need has been identified.

2.2 Supported bus service provision is targeted at communities where there is a clear social need and has evolved over a number of years; often in demand from these communities where commercial services are viewed as failing to meet local needs or where these services have been withdrawn or reduced.

2.3 In 2013, a Framework Agreement for Supported Bus Services was established in order to generate greater market interest through mini-competitions amongst Framework Operators by reducing the amount of paperwork required; previously, a particular burden for smaller operators.

2.4 The new Framework Agreement replaces the previous framework and ensures that best value is maintained through mini-competition of existing services as they expire and any new routes that are identified.

3. Main report

3.1 For many years the Council has funded a variety of supported bus services on the basis of social need in order to enhance connectivity, accessibility, and social inclusion. Supported bus services perform an important social role by filling gaps in the commercial bus network.

3.2 On 23 February 2017, the Council published a Prior Information Notice (PIN) on the Public Contracts Scotland (PCS) website and a total of 31 potential providers expressed interest.

3.3 The Council published a Contract Notice on the PCS website on 6 January 2018 and an Invitation to Tender (ITT) was published on the Public Contracts Scotland-Tender (PCS-T) website the same day. A total of 11 potential providers registered interest and a total of seven responses were received before the tender deadline on 19 February 2018.

3.4 Award of providers onto the Framework Agreement is based on evaluation of those Tenderers/bidders who met the mandatory qualification criteria contained in the European Single Procurement Document (ESPD). These seven bids were evaluated on the basis of the most economically advantageous tender (MEAT), with a weighting of 70% for quality and 30% for price. The weighting sets out a shared understanding that a greater emphasis towards quality at Framework entry stage ensures that there is no ambiguity that the successful tenderers can undertake current or future routes as and when mini competitions are undertaken. A summary of the tender process is provided at Appendix 1 of this report.

3.5 Once the Framework Agreement is in place, individual mini competitions will be held among the operators to establish routes. Mini competitions shall be typically undertaken on a ratio with a greater weighting towards price to emphasise commerciality. For example, a mini competition may be conducted on 70% price and 30% quality.

3.6 Quality Award Criteria used for mini competitions shall be based on criteria used to establish the Framework Agreement. However, this may also be refined due to the complexity of the requirement, and applicable needs of the route.

3.7 Contract performance will be monitored monthly using data supplied by the contractor, along with quarterly meetings between Council officers and the contractor. Any complaints concerning the service provided under the Framework Agreement will be monitored and all data will form part of the annual Supported Bus Services Performance Report to the Transport and Environment Committee.

4. Measures of success

4.1 Increased future number of tenders being submitted via mini-competitions for supported bus services by reducing procurement administration required when bidding.

4.2 Reduction in the time taken to procure supported bus services by having a Framework Agreement that includes a range of bus operators who can be invited to participate in mini-competitions for future services.

4.3 The Framework Agreement will allow for long term planning to be undertaken in relation to supplier development of smaller providers and enable stable working relationships with larger providers such as Lothian Buses.

5. Financial impact

5.1 The total value of the Framework Agreement has been estimated at £4,800,000 over the four year period.

5.2 The current revenue budget for supported bus services totals an estimated £1.27m per annum.

5.3 It is the intention to carry out a series of mini-competitions for future supported bus services as part of the Framework Agreement. Providers would bid predominately on price with quality questions applicable to the route and any specific resources applied.

5.4 The costs associated with procuring this Framework Agreement are estimated to be from £10,001 to £20,000.

6. Risk, policy, compliance and governance impact

6.1 Deployment of the Framework Agreement methodology for procuring supported bus services ensures that the services the Council supports align with its strategic transport objectives and represent value for money.

7. Equalities impact

7.1 The aim of the Framework Agreement is to facilitate the provision of bus services largely for reasons of social inclusion for users in communities otherwise without access to public transport or where the level of provision is poor. The vehicles specification contained in the Framework Agreement requires the use of fully accessible buses which will benefit those with reduced mobility and improve their quality of life. Inclusion, connectivity, and accessibility are central to supported bus provision and any equalities impact should be positive.

8. Sustainability impact

8.1 As a minimum standard, providers shall work towards the achievement of Euro V vehicle emissions which contribute to a reduction in air pollution. In addition, getting people to use supported bus services reduces the number of car journeys that might otherwise be made.

9. Consultation and engagement

9.1 Comments were invited from members of the city's 12 Neighbourhood Partnerships on supported bus service provision in each of their geographical areas.

9.2 Neighbourhood Partnerships cover every electoral ward in the city and their membership profiles comprise representatives from local community councils, elected members and operational and strategic partners.

9.3 12 responses were received between 27 February and 2 April 2017. 75% (9) of these expressed support for the services provided and their continuation.

9.4 The response contents also included issues with perceived lack of provision to specific areas and suggestions relating to possible future route variations. The comments will help inform future tendering processes.

10. Background reading/external references

10.1 None

Paul Lawrence

Executive Director of Place

Contact: Ewan Kennedy, Policy and Planning 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

<table>
<tr><td>Contract</td><td colspan="2">Framework Agreement for Supported Bus Services (Ref: CT2171)</td></tr>
<tr><td>Contract Period</td><td colspan="2">2 July 2018 to 1 July 2022</td></tr>
<tr><td>Estimated Contract Value</td><td colspan="2">£4,800,000</td></tr>
<tr><td>Procurement Route Chosen</td><td colspan="2">Open Procedure</td></tr>
<tr><td>Tenders Returned</td><td colspan="2">Seven</td></tr>
<tr><td>Name of Recommended Supplier(s)</td><td colspan="2">Border Buses Ltd
E & M Horsburgh
Edinburgh Coach Lines Ltd
Fife Scottish Omnibuses Ltd t/a Stagecoach East Scotland
First Scotland East Ltd
Lothian Buses
Romadero Ltd t/a Waverley Travel</td></tr>
<tr><td>Quality / Price Split</td><td>Quality 70 / Price 30</td><td>100</td></tr>
<tr><td rowspan="8">Evaluation Criterion and Weightings and reason for this approach</td><td>Criteria</td><td>Weighting (%)</td></tr>
<tr><td><u>Vehicles & Sustainability</u>
Fleet & Strategy
Fleet Sustainability
Fleet Maintenance</td><td>
10
10
10</td></tr>
<tr><td>Training</td><td>20</td></tr>
<tr><td><u>Service Information & Communication</u>
Public Information
Management Information</td><td>
10
10</td></tr>
<tr><td>Security</td><td>10</td></tr>
<tr><td>Team Structure</td><td>10</td></tr>
<tr><td>Fair Working Practice</td><td>5</td></tr>
<tr><td>Community benefits</td><td>5</td></tr>
<tr><td>Evaluation Team</td><td colspan="2">Council officers</td></tr>
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