

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 its 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 Castle 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.)