

Item 4.1 - Minutes

Finance and Resources Committee

10.00am, Thursday, 16 August 2018

Present

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

1. Minutes

Decision

To approve the minutes of the Finance and Resources Committee of 12 June 2018 as a correct record.

2. Finance and Resources Committee Key Decisions Forward Plan

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

Decision

To note the Key Decisions Forward Plan for August 2018.

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

3. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log was submitted.

Decision

- 1) To agree to close actions 3, 4, 5, 7, 8, 9, 10, 11, 12, 14 and 15.
- 2) To agree that Committee Services would ask for an update on item 13 and would update the Rolling Actions Log.
- 3) To otherwise note the Rolling Actions Log.

(Reference – Rolling Actions Log, submitted.)

4. Business Bulletin

Finance and Resources Committee Business Bulletin was submitted.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, submitted.)

5. Revenue Monitoring 2017/18 – Outturn Report

The Committee considered a report which set out the provisional 2017/18 revenue outturn position for the Council based on the unaudited financial statements. The position showed an overall underspend of £2.416m, representing the eleventh successive year in which net expenditure had been maintained within approved levels.

Decision

- 1) To note the contents of the report and the provisional revenue underspend of £2.416m for the year ended 31 March 2018.
- 2) To note that, after taking account of Council's previous approval to earmark £0.480m for additional roads investment and £0.100m for the City Vision, the remaining £1.836m had been set aside within the Council Priorities Fund.
- 3) To note the contributions in 2017/18 to and from the General Fund as detailed in the report.
- 4) To note that the Housing Revenue Account was balanced after making planned contributions of £10m towards in-year capital investment and £0.438m to the Renewal and Repairs Fund;
- 5) To note that the Common Good Annual Performance Report would be considered at the Committee's meeting on 27 September 2018.
- 6) To refer the report to the Governance, Risk and Best Value Committee as part of its workplan.

(References – Act of Council (No. 17), 28 June 2018; Finance and Resources Committee, 23 January 2018 (item 7); report by the Executive Director of Resources, submitted.)

6. Revenue Monitoring 2018/19 – Month Three Position

The Committee considered a report which set out the projected revenue budget position for the year based on analysis of period two data. Service areas had identified a number of significant pressures, particularly in demand-led areas, together totalling £15.2m and prompt and effective implementation of planned and additional mitigating actions would therefore be required to maintain expenditure within approved levels.

Decision

- 1) To note that a number of significant pressures had been highlighted by Executive Directors, such that an overall year-end overspend of £7.720m, after taking account

of current mitigating actions and assuming no further mitigating actions were taken, was forecast as of month three.

- 2) To note that in light of this projected position, all Executive Directors and the Chief Officer of the Edinburgh Health and Social Care Partnership had been required to identify, as a matter of urgency, further proposed actions to bring their respective budgets into balance by the year-end.
- 3) To note the balanced projected position on the Housing Revenue Account (HRA) after making a £9.25m planned contribution towards housing investment.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.
- 5) To agree that the Convener would make representations to the Integration Joint Board (IJB) to review how to address the challenges associated with increasing existing packages of care and/or taking on new packages and to seek assurance that the Council was not failing in terms of its statutory requirements to clients.
- 6) To agree that the Chief Officer of the Edinburgh Health and Social Care Partnership and the IJB's Chief Financial Officer would be invited to answer questions related to Health and Social Care Budgets in the Revenue Monitoring report being brought to the October 2018 Committee.

(References – Act of Council (No. 3), 22 February 2018; report by Executive Director of Resources, submitted.)

7. Capital Monitoring 2017/18 – Outturn and Receipts

Details were provided of the final outturn on the Council's Capital Programme for 2017/18, including details of capital receipts and slippage / acceleration on projects within the Capital Investment Programme.

Decision

- 1) To note the 2017/18 final unaudited capital positions on the General Fund and Housing Revenue Account (HRA).
- 2) To note that budgets for lending to Edinburgh Living from 2019-20 onwards were based on the pipeline of development and would be subject to annual approval from Finance and Resources Committee and Council.
- 3) To approve the revised Capital Investment Programme for 2018-2023.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its workplan.

(References – Act of Council (No. 3), 22 February 2018; report by the Executive Director of Resources, submitted.)

8. Capital Monitoring 2018/19 – Month Three Position

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

Decision

- 1) To note the projected capital outturn position on the General Fund and Housing Revenue Account (HRA) at month three.
- 2) To note the prudential indicators at month three.
- 3) To note that the Head of Finance was closely monitoring the capital receipts position.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its workplan.
- 5) To agree that clarification would be sought on how the early years programme would be managed and reported back to Committee.

(References – Act of Council (No. 3), 22 February 2018; report by Executive Director of Resources, submitted)

9. Chief Executive – Revenue Budget Monitoring 2018/19 – Month Three position

The Committee considered a report which set out the projected three-month revenue budget monitoring position for services reporting directly to the Chief Executive, based on actual expenditure and income to the end of May 2018 and expenditure and income projections for the remainder of the financial year.

Decision

- 1) To note services reporting directly to the Chief Executive were currently projecting expenditure and income to be in line with the approved revenue budget for 2018/19.
- 2) To note the risks to the achievement of a balanced revenue budget projection.

(References – Act of Council (No. 2), 22 February 2018; report by Executive Director of Resources, submitted.)

10. Resources Directorate – Revenue Budget Monitoring 2018/19 – Month Three Position

Details were provided of the projected three-month revenue monitoring position for the Resources Directorate, based on actual expenditure and income to the end of May 2018 and expenditure and income projections for the remainder of the financial year.

Decision

- 1) To note the Resources Directorate was currently projecting a budget pressure of £1.075m for 2018/19.
- 2) To note the Resources Management Team were progressing the identification of alternative savings measures to achieve outturn expenditure in line with the approved revenue budget for 2018/19. A progress update would be reported to Finance and Resources Committee in October 2018.
- 3) To note the ongoing risks to the achievement of a balanced revenue budget projection for the Directorate.

(References – Act of Council (No. 3), 22 February 2018; report by Executive Director of Resources, submitted.)

11. Revenue Budget Framework 2018/23 – Locality Expenditure

At the meeting of Council on 3 May 2018, members approved a motion from Cllr Graczyk which sought further detail on current relative expenditure across the cities four localities and potential opportunities to devolve further sums for decision-making at a local level.

A report was considered which provided a contextual, but heavily caveated, analysis of current spend across the city's localities to serve as a starting point for further discussion in considering how the Council's expenditure was best aligned to its priorities and relative levels of need across the city.

Decision

To note the contents of the report and that a further, complementary report outlining potential changes to existing arrangements would be brought to the Committee's meeting on 11 October 2018.

(References – Act of Council (No. 33), 3 May 2018; report by Executive Director of Resources, submitted.)

12. Spend to Save Funding Application – Lagganlia Outdoor Centre

Approval was sought for £40,000 of Spend to Save funding to facilitate the construction of a purpose-built outdoor learning resource at the Lagganlia Outdoor Centre and to refer the decision to Council for ratification.

Decision

To approve the Spend to Save application and to refer the decision to Council for ratification of use of the Spend to Save Fund.

(References – Finance and Resources Committee, 23 January 2018 (Item 14); report by Executive Director of Resources, submitted.)

13. Treasury Management: Annual Report 2017/18

An update was provided on Treasury Management activity in 2017/18.

Decision

- 1) To note the Annual Report on Treasury Management for 2017/18.
- 2) To refer the report to Council for approval and subsequent referral by Council to the Governance, Risk and Best Value Committee for their scrutiny.

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

14. Finance Policies – Assurance Statement

An update was provided on the main results of the most recent year's review for policies falling within the remit of the Finance Division of the Resources Directorate.

Decision

To note and be assured that the Finance policies detailed in the report had been reviewed and were considered to remain current, relevant and fit-for purpose.

(References – Act of Council (No. 10), 28 June 2018; report by Executive Director of Resources, submitted.)

15. Internal Audit Update Report – 1 January to 31 July 2018

The Governance, Risk and Best Value Committee on 31 July 2018 considered a report which detailed the Internal Audit progress for the period 1 January to 31 July 2018.

The report had been referred to the Finance and Resources Committee on the recommendation that high and medium risk findings from audit reports be submitted to their parent Committee for information.

Decision

To note the audit reports with high and medium risk findings concerning Phishing Resilience, CGI Contract Management and Health and Social Care Purchasing Budget Management.

(References – Governance, Risk and Best Value Committee, 26 September 2017 (Item 4); report by Executive Director of Resources, submitted.)

16. Proposed 2018/19 Citizen Engagement

Details were provided of the Council's approach to engaging with citizens and stakeholder groups in 2018/19 on the Council's proposed budget for the following year.

Decision

- 1) To approve the approach for engagement with citizens and stakeholder organisations with a launch date of Monday 1 October 2018 and a close date of Friday 7 December 2018 – with the launch to be delayed if budget proposals were not approved at the Finance and Resources Committee Meeting on Thursday 27 September 2018;
- 2) To note the plan to provide a further detailed report on future engagement for approval, alongside the results of the 2018/19 budget engagement, to the 24 January 2019 special Finances and Resources Committee;
- 3) To approve the procurement of Budget Simulator (£4,995) to deliver the online engagement element. This resource came from the overall allocation for budget engagement.

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

17. Workforce Dashboard

Committee considered a report which provided 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 May 2018.

Decision

To note the workforce information contained in the dashboard.

(References – Finance and Resources Committee, 12 June 2018 (Item 12); report by Executive Director of Resources, submitted.)

18. Commercial and Procurement Annual Report 2018

Following approval of the Commercial and Procurement Strategy 2016-2020 by the Committee on 1 December 2016, an update on what had been delivered through the strategy from December 2016 to 31 March 2018 was outlined.

Motion

To note the contents of the report and approve the Commercial and Procurement Annual Report 2018 for publication.

- Moved by Councillor Rankin, seconded by Councillor Donaldson

Amendment

- 1) To note the contents of the report and approve the Commercial and Procurement Annual Report 2018 for publication.
- 2) To note specifically
 - a) Ongoing work to ensure that gains secured through procurement were fully realised through effective contract management.
 - b) Continued development of means by which community benefit could be captured and reported.
 - c) Opportunities to work collaboratively with other major public organisations on procurement.

- Moved by Councillor Corbett, seconded by Councillor Miller

In terms of Standing Order 21(11), the amendment was accepted as an addendum to the motion.

Decision

- 1) To note the contents of the report and approve the Commercial and Procurement Annual Report 2018 for publication.
- 2) To note specifically
 - a) Ongoing work to ensure that gains secured through procurement were fully realised through effective contract management.
 - b) Continued development of means by which community benefit could be captured and reported.
 - c) Opportunities to work collaboratively with other major public organisations on procurement.

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

19. Construction Charter

Details were provided on the benefits and issues arising from a proposed Construction Charter and approval was sought on the Construction Charter Commitments.

Motion

To adopt the Construction Charter Commitments.

- Moved by Councillor Rankin, seconded by Councillor Donaldson

Amendment

- 1) To adopt the Construction Charter Commitments.
- 2) To recognise that the Charter was a living document and agree that work with the Trade Unions and contractors would continue during the implementation phase, with a report reviewing the Charter to be brought back to Committee in 12 months.

- Moved by Councillor Rankin, seconded by Councillor Donaldson

In terms of Standing Order 21(11), the amendment was accepted as an addendum to the motion.

Decision

- 1) To adopt the Construction Charter Commitments.
- 2) To recognise that the Charter was a living document and agree that work with the Trade Unions and contractors would continue during the implementation phase, with a report reviewing the Charter to be brought back to Committee in 12 months.

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

20. Extension to the existing Property Repair and Maintenance Contracts

Approval was sought to extend the existing Property Repair and Maintenance Contracts for a period of one year with the option to extend for a further period of six months.

Decision

- 1) To approve the extension of the following Contracts for a period of 12 months with the option to extend for a further 6 months:
 - 1.1.1 Statutory Compliance and Inspection Testing of Mechanical and Electrical (planned and reactive services) and Fabric (planned services) to FES FM Ltd, Servest Ltd and Skanska Rashleigh Weatherfoil Limited with an estimated contract value of £8m per annum;
 - 1.1.2 General building repairs and maintenance Framework to James Breck Ltd, Response Building and Maintenance Ltd and Saltire Roofing and Building Ltd, with an estimated contract value of £0.9m per annum;
 - 1.1.3 Minor works and decoration repairs and maintenance Framework to Bell

Group UK Ltd, H&J Martin Ltd and Response Building and Maintenance Ltd, with an estimated contract value of £0.5m per annum;

- 1.1.4 Plumbing, jetting and drainage repairs and maintenance Framework to J B Bell and Co and Response Building and Maintenance Ltd, with an estimated contract value of £0.85m per annum;
- 1.1.5 Blacksmith repairs and maintenance contract to Orbis Ltd, with an estimated contract value of £0.65m per annum;
- 1.1.6 Joinery repairs and maintenance contract to Response Building and Maintenance Ltd, with an estimated contract value of £0.4m per annum; and
- 1.1.7 Lift and Escalator repair and maintenance contract to Kone Plc, Orona Limited and Consult Lift Services Ltd, with an estimated contract value of £0.4m per annum.

- 2) To note that the Contracts listed above all expired in the Autumn/Winter of 2018 and these extensions were therefore sought as a Waiver to the Council's Contract Standing Orders.

(References – Finance and Resources Committee, 23 January 2018 (Item 5); report by Executive Director of Resources, submitted.)

21. Extension of Health and Social Care Contracts

Approval was sought to extend a range of contracts to support the delivery of Health and Social Care services whilst strategic reviews and service re-design took place.

Decision

- 1) To extend contracts for the servicing, repair and maintenance of aids for daily living equipment to 31 May 2019.
- 2) To extend the block contracts for 16 registered day services for older people to 31 March 2020.

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

22. Appointments to Working Groups 2018/19

The Committee was invited to appoint the membership of the Joint Consultative Group, Elected Member ICT and Digital Sounding Board, and the Council Health and Safety Consultation Forum.

Decision

- 1) To appoint the membership of the Joint Consultative Group as set out in Appendix 1 of the report, subject to Councillor McVey replacing Councillor Bridgman.
- 2) To appoint the membership of the Elected Member ICT and Digital Sounding Board in Appendix 2 of the report, subject to Councillor Booth being included.
- 3) To appoint the membership of the Council Health and Safety Consultation Forum in Appendix 3 of the report.

- 4) To agree to disband the Property Sub-Committee.
- 5) To approve the remits of the Joint Consultative Group, Elected Member ICT and Digital Sounding Board, and the Council Health and Safety Consultation Forum 2018/2019 as set out in Appendices 1 to 3 of the report.

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

23. Proposed New Lease at 323 High Street, Edinburgh

Approval was sought to grant a lease to the Continuum Group Limited on the terms and conditions outlined in the report.

Decision

To approve a new lease to the Continuum Group Limited of first floor (level 6) in 323 High Street, Edinburgh on the terms outlined in the report and other terms and conditions to be agreed by the Executive Director of Resources.

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

24. Proposed New Lease of part of 249 High Street, Edinburgh (Advice Shop)

Approval was sought to grant a 10-year lease to VisitScotland. The refurbishment of the customer hub at 249 High Street had released space that was occupied by the Advice Shop. Negotiations had taken place with VisitScotland for a commercial lease of the premises.

Decision

To approve a new 10 year lease to VisitScotland of part of 249 High 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 Executive Director of Resources, submitted.)

25. City Fibre Expansion Project – Proposed Ground Lease at New Mart Road, Edinburgh

Approval was sought to grant a 20 year ground lease at New Mart Road to City Fibre Ltd on the terms and conditions outlined in the report.

Decision

To approve a 20 year ground lease to City Fibre Limited at New Mart Road 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 Executive Director of Resources, submitted.)

26. Port Edgar Marina, South Queensferry – Proposed Lease to South Queensferry Sea Cadets

Approval was sought to grant a new lease to South Queensferry Sea Cadets for a period of 66 years.

Decision

To approve the lease of land and buildings extending to approximately 0.0875 hectares (0.216 acres) in accordance with the terms set out in the report and on such other terms and conditions to be agreed by the Executive Director of Resources.

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

27. Proposed Sale of Former Public Convenience at 1 Gorgie Road

Approval was sought to dispose of the former Public Convenience and Police Box site to AMA Homes on the terms and conditions outlined in the report.

Decision

To approve the sale of the former Public Convenience to AMA Homes under the terms and conditions outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

Declaration of Interests

Councillor Whyte declared a financial interest in the above item as a member of the Scottish Police Authority.

28. Award of Workplace Travel Planning Contract 2018-19

Approval was sought to award a contract for the delivery of the fourth year of the workplace-based travel behaviour change project to Sweco UK Ltd. The contract would be for nine months, commencing on 1 September 2018 and running to 31 May 2019.

Motion

To approve the award of a contract to Sweco UK Ltd for £117,923.75 to deliver the workplace-based travel behaviour change project during 2018-19.

- Moved by Councillor Rankin, seconded by Councillor Donaldson

Amendment

- 1) To approve the award of a contract to Sweco UK Ltd for £117,923.75 to deliver the workplace-based travel behaviour change project during 2018-19.
- 2) To report to Transport and Environment Committee within 6 months on the barriers identified in translating awareness-raising activity into significant levels of modal shift and recommendations as to how those barriers could be overcome.

- Moved by Councillor Corbett, seconded by Councillor Miller.

In terms of Standing Order 21(11), the amendment was accepted as an addendum to the motion.

Decision

- 1) To approve the award of a contract to Sweco UK Ltd for £117,923.75 to deliver the workplace-based travel behaviour change project during 2018-19.

- 2) To report to Transport and Environment Committee within 6 months on the barriers identified in translating awareness-raising activity into significant levels of modal shift and recommendations as to how those barriers could be overcome.

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

29. Contract for Care and Support Complex Needs - St Stephen's Court (CT2215)

Committee considered a report which advised that in consultation with the Convener and Vice Convener of the Finance and Resources Committee, in line with the Council's Contract Standing Orders and the Scheme of Delegation, the Council had awarded a contract under urgency procedures to Carr Gomm for care and support for people with complex needs who would reside at St Stephen's Court.

Decision

To note the award of a contract to Carr Gomm for provision of care and support at St Stephen's Court under urgency procedures.

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