

Notice of meeting and agenda

Finance and Resources Committee

10.00am, Thursday 23 May 2019

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 7 March 2019 – submitted for approval as a correct record (circulated)

5. Forward planning

- 5.1 Finance and Resources Committee Work Programme (circulated)
- 5.2 Finance and Resources Committee Rolling Actions Log (circulated)

6 Business Bulletin

- 6.1 Business Bulletin (circulated)

7. Executive decisions

- 7.1 Managing Change Policy – report by the Executive Director of Resources (circulated)
- 7.2 Retirement Policy – report by the Executive Director of Resources (circulated)
- 7.3 Workforce Control Annual Report – report by the Executive Director of Resources (circulated)
- 7.4 Workforce Dashboard – report by the Executive Director of Resources (circulated)
- 7.5 Stress Management Policy – report by the Executive Director of Resources (circulated)
- 7.6 Diversity and Inclusion Strategy and Plan – Progress Report – report by the Executive Director of Resources (circulated)

- 7.7 Revenue Budget Framework 2019-24 – Progress Update – report by the Executive Director of Resources (circulated)
- 7.8 Adoption of Framework to provide an Online Booking Service for Emergency Accommodation for Homelessness Services – report by the Executive Director for Communities and Families (circulated)
- 7.9 Award of Contracts to the Open Framework for Homelessness Accommodation with support for Adults and Young People – report by the Executive Director for Communities and Families (circulated)
- 7.10 Water of Leith Flood Protection Phase 2 Underspend – report by the Executive Director of Resources (circulated)
- 7.11 Albion Equity Ltd – Disposition of Council’s Preference Shares – report by the Executive Director of Resources (circulated)
- 7.12 Programme Support – Award of Contracts – report by the Executive Director of Place (circulated)
- 7.13 New Build Housing Agreement Lot 1 – report by the Executive Director of Place (circulated)
- 7.14 Education and Health and Social Care Transport Framework Agreement – report by the Executive Director for Communities and Families (circulated)
- 7.15 Asset Management Works Programme – 2018/19 Update – report by the Executive Director of Resources (circulated)
- 7.16 Edinburgh Shared Repairs Service Progress Report – Financial Year 2018/19 – report by the Executive Director of Resources (circulated)
- 7.17 Council Commercial Property Portfolio – Update Report – report by the Executive Director of Resources (circulated)
- 7.18 Changes to the Operational Property Estate: Lifecycle Costs Forecast – report by the Executive Director of Resources (circulated)
- 7.19 A Review of Health and Safety Groups within the Council – report by the Executive Director of Resources (circulated)
- 7.20 Whistleblowing Policy – report by the Chief Executive (circulated)
- 7.21 Information and Communications Technology Acceptable Use Policy 2019 – report by the Executive Director of Resources (circulated)

8. Routine decisions

- 8.1 Accounts Commission – Local Government in Scotland: Challenges and Performance 2019 – joint report by the Chief Executive and the Executive Director of Resources (circulated)
- 8.2 Accounts Commission Safeguarding Public Money; Are you getting it right? – joint report by the Chief Executive and the Executive Director of Resources (circulated)
- 8.3 Award of Framework Agreement – Supply and Distribution of Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs – report by the Executive Director of Resources (circulated)
- 8.4 Summary Report on Property Transactions Concluded under Delegated Authority – report by the Executive Director of Resources (circulated)
- 8.5 Planning and Building Standards Improvement Team – Extension to Contracts report by the Executive Director of Place (circulated)
- 8.6 Framework Agreement for the Hire of Plant with Operator – report by the Executive Director of Place (circulated)
- 8.7 Land at Newcraighall – Proposed Lease and Lease Extension – report by the Executive Director of Resources (circulated)
- 8.8 Broughton FP Rugby Club, Granton Road – Proposed Lease Extension – report by the Executive Director of Resources (circulated)
- 8.9 200 Bonnington Road, Edinburgh – Proposed Disposal – report by the Executive Director of Resources (circulated)
- 8.10 Land at Cheyne Street, Edinburgh – Proposed Disposal – report by the Executive Director of Resources (circulated)
- 8.11 Block 1 Unit 5 Pennywell Town Centre, Edinburgh – Proposed Lease – report by the Executive Director of Resources (circulated)
- 8.12 Ground Lease to Leith DIY Skatepark Park – report by the Executive Director of Resources (circulated)
- 8.13 Proposed Lease, The Old Observatory House, Calton Hill – report by the Executive Director of Resources (circulated)
- 8.14 Land at Granton Quarry – Proposed Lease – report by the Executive Director of Resources (circulated)
- 8.15 Award of Taxi Fare Reviews 2019-2022. Mini competition under the Scotland Excel Consultancy Framework Agreement for Engineering and Technical

Consultancy Services Lot2 Transportation and Traffic – report by the Executive Director of Place (circulated)

- 8.16 Contract Waiver for the Edinburgh Health and Social Care Partnership – report by the Chief Officer, Health and Social Care Partnership (circulated)
- 8.17 Wellbeing Public Social Partnership – Phase Two – report by the Chief Officer, Health and Social Care Partnership (circulated)
- 8.18 Vega Building, Clocktower, South Gyle Crescent, Edinburgh – Proposed Lease Restructure Update – report by the Executive Director of Resources (circulated)
- 8.19 Internal Audit – Developer Contributions – referral from the Governance, Risk and Best Value Committee (circulated)

9. Motions

9.1 By Councillor Burgess – Cameron House Community Centre

“In relation to the running of the Cameron House Community Centre, the Finance and Resources Committee;

- 1) Notes that Southside-Newington ward councillors are requesting that:
 - i) The budget held by the Children’s and Families for Cameron House Community Centre be transferred to the South East Localities account;
 - ii) That this budget be maintained at the 2017 level for the duration of this Council term;
 - iii) That all future meetings between council officials and the Management Committee be minuted and circulated to the local councillors. The minute taker to be agreed by both parties.
- 2) Therefore, calls for a report on these issues, including detailing the background to the reason for these requests.”

Laurence Rockey

Head of Strategy and Communications

Committee Members

Councillors Rankin (Convener), Cameron (Vice-Convener), Child, Corbett, Gordon, Hutchison, Johnston, Miller, Munn, Neil Ross, 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 Stuart Johnston, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG, Tel 0131 529 7035 or email stuart.johnston@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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Finance and Resources Committee

Edinburgh, 10.00am, Thursday 7 March 2019

Present

Councillors Rankin (Convener), Kate Campbell, Child, Corbett, Dixon (substituting for Councillor Gordon for items 12 to 32), Gordon, Hutchison, Johnston, McNeese-Meehan (substituting for Councillor Kate Campbell for items 12 to 13) Miller, Neil Ross, Watt and Whyte.

1. Proposed Sale – Ravelston Park Pavilion

a) Deputation from Blackhall Community Trust

The Committee agreed to hear a deputation from Tina Woolnough and Fiona Gilbert, on behalf of the Blackhall Community Trust, in relation to the report on the Proposed Sale – Ravelston Park Pavilion.

The deputation highlighted that Ravelston Park Pavilion was leased by Blackhall Nursery but was not fit for purpose to deliver 1140 hours of Early Learning and Childcare for all children. A community consultation took place and ran for over 18 months and identified three key needs which had become Blackhall Trusts' purposes.

Firstly, a Community space and facility for community activities. Secondly, fit for purpose accommodation for the community run Blackhall Nursery appropriate for the delivery of 1140 hours. Lastly, improved and enhanced open spaces and provision for recreational and sports activities for all ages.

The Community Asset Transfer would support these purposes by enabling a revitalised Ravelston Park Pavilion to meet its needs and create a better social benefit for residents. The deputation sought the Committee's support for the Community Asset Transfer.

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

b) Report by the Executive Director of Resources

Approval was sought to dispose of Ravelston Park Pavilion located at Craigcrook Road, Edinburgh to Blackhall Community Trust on the terms outlined in the report. The proposed sale was a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

Decision

To approve the disposal of Ravelston Park Pavilion, Craigcrook Road, Edinburgh, to Blackhall Community Trust on 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 the Executive Director of Resources, submitted.)

2. Managing Organisational Change Policy

a) Deputation from Unison and UNITE the Union

The Committee agreed to hear deputations from David Harrold and Gerry Stovin of Unison and Brian Robertson of UNITE in relation to the report on Managing Organisational Change Policy.

The deputations expressed the trade union's concerns regarding the Managing Organisational Change Policy. They indicated that there had been no meaningful consultation or dialogue with the trade unions regarding the Policy. The Policy before the Committee lacked detail and was open to interpretation. It followed no recognisable structure and could be inconsistently applied across Council departments and service areas. There was also little reference to elected members participation or when reviews would need to come back to Committee for approval.

The deputation requested that the Council management returned to the negotiating table to work on this policy with the trade unions.

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

b) Report by the Executive Director of Resources

Details were provided on the proposed Managing Organisational Change Policy which set out the Council's approach to drive continual improvement when a significant requirement for change was identified. The Policy aimed to ensure that colleagues were engaged early in the design process and that they were engaged and supported throughout the process.

The Managing Organisational Change Policy replaced the Council's policies covering Organisational Reviews, Redeployment and Redundancy, which were approved at Committee on 1 March 2011, 4 February 2010 and 28 January 2010 respectively.

Motion

- 1) To approve the new Managing Organisational Change Policy.
- 2) To request that a report be brought back on the guidance and implementation of the Policy to the next Committee meeting on 23 May 2019.

- moved by Councillor Rankin, seconded by Councillor Child

Amendment

Replace report recommendations with:

To continue the report for one cycle in order to carry out further consultation with relevant union representatives.

- moved by Councillor Miller, seconded by Councillor Corbett

Voting

The voting was as follows:

For the motion - 4 votes

For the amendment - 5 votes

(For the motion: Councillors Child, Gordon, Rankin, and Neil Ross.

For the amendment: Councillors Corbett, Hutchison, Johnston, Miller, and Whyte.

Abstentions: Councillors Kate Campbell, and Watt).

Decision

To continue the report for one cycle in order to carry out further consultation with relevant union representatives.

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

3. Retirement Policy

a) Deputation from Unison

The Committee agreed to hear a deputation from Gerry Stovin of Unison in relation to the report on the Retirement Policy.

The deputation expressed concern at the proposal to remove the 13 wind down days when an employee voluntarily retired and the omission of any cost savings in the report. Reservations were also articulated that the Retirement Policy was being considered as an individual item and not part of wider terms and conditions.

The deputation indicated that the trade unions would like to discuss the Policy in more detail and as part of the wider package of terms and conditions, and highlighted the need for the costs to be fully outlined.

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

b) Report by the Executive Director of Resources

The Committee considered a report which set out proposed updates to the Managing Retirement Policy, following the introduction of the new Local Government Pension Scheme (Scotland) Regulations which had come into force on 1 June 2018.

Motion

- 1) To agree the new retirement policy, except for the proposal regarding the 13 wind-down days.
- 2) To request a report on the removal of the 13 wind-down days when an employee voluntarily retired be provided to Finance and Resources Committee in September 2019, evaluating the policy in light of all evidence for decision.

- moved by Councillor Rankin, seconded by Councillor Watt

Amendment

- 1) To agree the new retirement policy, except for the proposal regarding the 13 wind-down days.
- 2) To request a report on the removal of the 13 wind-down days when an employee voluntarily retired be provided to Finance and Resources Committee in May 2019, evaluating the policy in light of all evidence for decision.

- moved by Councillor Whyte, seconded by Councillor Hutchison

Voting

The voting was as follows:

For the motion - 5 votes

For the amendment - 6 votes

(For the motion: Councillors Kate Campbell, Child, Gordon, Rankin, and Watt.

For the amendment: Councillors Corbett, Hutchison, Johnston, Miller, Neil Ross and Whyte.)

Decision

- 1) To agree the new retirement policy, except for the proposal regarding the 13 wind-down days.
- 2) To request a report on the removal of the 13 wind-down days when an employee voluntarily retired be provided to Finance and Resources Committee in May 2019, evaluating the policy in light of all evidence for decision.

(References – Corporate Policy and Strategy Committee, 2 September 2014 (Item 1); report by the Executive Director of Resources, submitted.)

4. Minutes

Decision

To approve the minutes of the Finance and Resources Committee of 1 February 2019 as a correct record.

5. Finance and Resources Committee Work Programme

The Finance and Resources Committee Work Programme was submitted.

Decision

To note the Work Programme.

(Reference – Finance and Resources Committee Work Programme, submitted.)

6. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log for March 2019 was submitted.

Decision

- 1) To agree to close actions 9, 16(2), 17, 18, 20 and 21.
- 2) To otherwise note the Rolling Actions Log.

(Reference – Rolling Actions Log, submitted.)

7. Business Bulletin

The Finance and Resources Committee Business Bulletin for March 2019 was submitted.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, submitted.)

8. Principles of the Local Government Finance Settlement

In response to a request from the Governance, Risk and Best Value Committee on 15 January 2019, an overview was provided of the process by which Council specific revenue grant funding allocations were determined as part of the Local Government Finance Settlement.

Decision

- 1) To note the report.
- 2) To note that further updates would be provided to the Finance and Resources Committee and the Governance, Risk and Best Value Committee as the joint review between COSLA and the Scottish Government in this area progressed.
- 3) To refer the report to the Governance, Risk and Best Value Committee for information and scrutiny.

(References – Governance, Risk and Best Value Committee, 15 January 2019 (Item 4); report by the Executive Director of Resources, submitted.)

9. Revenue Budget Framework 2019-24 – Progress Update

Following approval of the revenue budget for 2019/20 by the City of Edinburgh Council on 21 February 2019, details were provided of progress and further urgently required actions in respect of management of services, and development of savings implementation plans for the approved proposals comprising the budget framework.

Motion

- 1) To note that as of end of February 2019, some £8.8m of residual pressures for 2019/20 remained within service areas, mitigating actions for which required to be urgently identified.
- 2) To note that robust implementation plans required to be developed for all savings approved for implementation in 2019/20 by 31 March 2019, with a progress update to be provided thereafter to the Committee's next meeting on 23 May 2019.

- moved by Councillor Rankin, seconded by Councillor Child

Amendment 1

- 1) To note that as of end of February 2019, some £8.8m of residual pressures for 2019/20 remained within service areas, mitigating actions for which required to be urgently identified.
- 2) To note that there was a further £13.9m savings required to be identified by the Edinburgh Integration Joint Board.
- 3) To note that the budget set by the SNP/Labour Administration still had £22m of “unidentified” savings in its plans less than a month before the budget year began without any significant contingency reserve and with balancing corporate savings from previous years already factored into the base budget.
- 4) To note that robust implementation plans required to be developed for all savings approved for implementation in 2019/20 by 31 March 2019, with a progress update to be provided thereafter to the Committee’s next meeting on 23 May 2019.
- 5) To agree that the report to Committee on 23 May 2019 identify additional potential savings measures totalling 30% of the full savings in 2019/20 in order that these could be applied as necessary should proposals being taken forward at this stage fail to deliver as envisaged.

- moved by Councillor Hutchison, seconded by Councillor Whyte

Amendment 2

To delete points 2 and 3 of amendment 1 and amend point 5 (now 3) as follows:

- 1) To note that as of end of February 2019, some £8.8m of residual pressures for 2019/20 remained within service areas, mitigating actions for which required to be urgently identified.
- 2) To note that robust implementation plans required to be developed for all savings approved for implementation in 2019/20 by 31 March 2019, with a progress update to be provided thereafter to the Committee’s next meeting on 23 May 2019.
- 3) To agree that the report to Committee on 23 May 2019 identify additional potential savings or income generating measures in 2019/20 in order that these could be applied as necessary where slippage or change in planned actions required alternatives.

- moved by Councillor Corbett, seconded by Councillor Miller

In accordance with Standing Order 21(11), amendment 2 was accepted as an amendment to amendment 1.

Voting

The voting was as follows:

- | | | |
|-------------------------------|---|---------|
| For the motion | - | 5 votes |
| For amendment 1 (as adjusted) | - | 6 votes |

(For the motion: Councillors Kate Campbell, Child, Gordon, Rankin, and Watt.

For amendment 1 (as adjusted): Councillors Corbett, Hutchison, Johnston, Miller, Neil Ross and Whyte.)

Decision

- 1) To note that as of end of February 2019, some £8.8m of residual pressures for 2019/20 remained within service areas, mitigating actions for which required to be urgently identified.
- 2) To note that robust implementation plans required to be developed for all savings approved for implementation in 2019/20 by 31 March 2019, with a progress update to be provided thereafter to the Committee's next meeting on 23 May 2019.
- 3) To agree that the report to Committee on 23 May 2019 identify additional potential savings or income generating measures in 2019/20 in order that these could be applied as necessary where slippage or change in planned actions required alternatives.

(References – Act of Council No.2, 21 February 2019; report by the Executive Director of Resources, submitted.)

10. Capital Strategy 2019-24

The Committee considered a report which set out the proposed Capital Strategy. The Strategy provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of Council services.

Decision

- 1) To note the Capital Strategy 2019-24.
- 2) To refer the Strategy to The City of Edinburgh Council for approval.

(References – Act of Council No.2, 21 February 2019; report by the Executive Director of Resources, submitted.)

11. Annual Treasury Management Strategy 2019/20

The Committee considered a report which set out a proposed Treasury Management Strategy for the Council for 2019-2020. The Strategy included estimates of funding requirements, an economic forecast and borrowing and investment strategies.

Decision

- 1) To note the Annual Treasury Management Strategy 2019-2020.
- 2) To note that the Council's total capital expenditure was forecast to be £2.039bn between 2018/2019 and 2023/2024 with an underlying need to borrow at 31 March 2024 forecast to be £1.913bn.
- 3) To note that the Council would continue to fund its Capital Financing Requirement from temporary investment balances over the next year.
- 4) To note that the opportunity to mitigate future interest rate risk with alternatives to the Public Works Loan Board (PWLB) would continue to be sought and the risk locked out where appropriate.
- 5) To refer the report to The City of Edinburgh Council for approval of the Annual Treasury Management Strategy 2019-2020 and the change to the Treasury Management Cash Fund Policy Statement and subsequent referral to the Governance, Risk and Best Value Committee for scrutiny.

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

12. Edinburgh Tram York Place to Newhaven Project – Infrastructure and Systems Contract – Award of Contract

Approval was sought to award a contract to Sacyr Farrans Neopul Joint Venture (SFN JV) for the notional contract value of £105,915,617.50 for the Edinburgh Tram York Place to Newhaven Project – Infrastructure and System Contract, subject to approval of the Full Business Case by City of Edinburgh Council on 14 March 2019.

Motion

To approve the award of Contract to Sacyr Farrans Neopul Joint Venture (SFN JV) for the notional contract sum of £105,915,617.50 for the Edinburgh Tram York Place to Newhaven Project – Infrastructure and Systems Contract subject to approval by the City of Edinburgh Council of the Final Business Case for the Project on 14 March 2019. The cost was based on a tendered target cost for works which would be fully developed over the course of a six-month Early Contractor Involvement (ECI) Period where SFN JV would work closely with the Project Team to test buildability, undertake surveys, value engineer and develop further innovation into their design.

- moved by Councillor Rankin, seconded by Councillor Child

Amendment

To take no action on the matter.

- moved by Councillor Whyte, seconded by Councillor Hutchison

Voting

The requisite number of members having so required in terms of Standing Order 23(1), the vote was taken by calling the roll.

The voting was as follows:

For the motion - 7 votes

For the amendment - 3 votes

(For the motion: Councillors Child, Corbett, Dixon, McNeese-Meechan, Miller, Rankin, and Watt.

For the amendment: Councillors Hutchison, Johnston, and Whyte.

Abstention: Councillor Neil Ross)

Decision

To approve the award of Contract to Sacyr Farrans Neopul Joint Venture (SFN JV) for the notional contract sum of £105,915,617.50 for the Edinburgh Tram York Place to Newhaven Project – Infrastructure and Systems Contract, subject to approval by the City of Edinburgh Council of the Final Business Case for the Project on 14 March 2019. The cost was based on a tendered target cost for works which would be fully developed over the course of a six-month Early Contractor Involvement (ECI) Period where SFN JV would work closely with the Project Team to test buildability, undertake surveys, value engineer and develop further innovation into their design.

Dissent

Councillor Neil Ross, having proposed an amendment to note the report and to refer the matter to the City of Edinburgh Council for consideration, which was not seconded, requested that his dissent be recorded to the above decision.

(References – Transport and Environment Committee, 28 February 2019 (Item 5); report by the Executive Director of Place, submitted.)

13. Edinburgh Tram York Place to Newhaven Project – Swept Path Contract – Award of Contract

Approval was sought to award a contract to Morrison Utility Services Ltd (MUS Ltd) for the notional contract value of £22,020,000 for the Edinburgh Tram York Place to Newhaven Project – Swept Path Contract, subject to approval of the Full Business Case by the City of Edinburgh Council on 14 March 2019.

Motion

To approve the award of contract to Morrison Utility Services Ltd (MUS Ltd) for the notional contract sum of £22,020,000 for the Edinburgh Tram York Place to Newhaven Project - Swept Path Contract, subject to approval by the City of Edinburgh Council of the Final Business Case for the Project on 14 March 2019.

- moved by Councillor Rankin, seconded by Councillor Child

Amendment

To take no action on the matter.

- moved by Councillor Whyte, seconded by Councillor Hutchison

Voting

The requisite number of members having so required in terms of Standing Order 23(1), the vote was taken by calling the roll.

The voting was as follows:

For the motion - 7 votes

For the amendment - 3 votes

(For the motion: Councillors Child, Corbett, Dixon, McNeese-Meechan, Miller, Rankin, and Watt.

For the amendment: Councillors, Hutchison, Johnston, and Whyte.

Abstention: Councillor Neil Ross)

Decision

To approve the award of contract to Morrison Utility Services Ltd (MUS Ltd) for the notional contract sum of £22,020,000 for the Edinburgh Tram York Place to Newhaven Project - Swept Path Contract, subject to approval by the City of Edinburgh Council of the Final Business Case for the Project on 14 March 2019.

(References – Transport and Environment Committee, 28 February 2019 (Item 5); report by the Executive Director of Place, submitted.)

14. Renewal of NHS Service Level Agreements – referral from the Education, Children and Families Committee

The Convener ruled that the following item, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Committee to give early consideration to this matter.

On 5 March 2019, the Education, Children and Families Committee approved the extension of Service Level Agreement contracts with the NHS for one year for children's services. The report had been referred to the Finance and Resources Committee for ratification.

Decision

To ratify the decision of the Education, Children and Families Committee approving the extension of Service Level Agreement contracts with the NHS for one year for children's services.

Declaration of Interests

Councillor Gordon declared a non-financial interest in the above item as a Board member of NHS Lothian.

(References – Education, Children and Families Committee, 5 March 2019 (Item 15); referral from the Education, Children and Families Committee, submitted.)

15. Award of Contract for Burnshot Bridge Construction

Approval was sought to award the contract for the Burnshot Bridge construction to Balfour Beatty Civil Engineering Limited, through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement.

Decision

To approve the appointment of Balfour Beatty Civil Engineering Limited to undertake the construction of Burnshot Bridge for a contract sum of £2,984,495, procured through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement.

(References – Transport and Environment Committee, 28 February 2019 (Item 4); report by the Executive Director of Place, submitted.)

16. Workforce Dashboard

The Committee considered a report which provided a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of December 2018.

Decision

To note the workforce information contained in the dashboard.

(References – Finance and Resources Committee, 1 February 2019 (Item 12); report by the Executive Director of Resources, submitted.)

17. Policy Statement on Equal Pay

Approval was sought to publish a Policy Statement on Equal Pay, covering the period 2019 to 2023, to meet the requirement under the Equalities Act 2010 to publish a statement on equal pay every four years.

The Policy Statement had been written in line with Equalities and Human Rights Commission guidance and included information on occupational segregation.

Decision

To approve the Policy Statement on Equal Pay.

(References – Finance and Resources Committee, 11 October 2018 (Item 4); report by the Executive Director of Resources, submitted.)

18. Employee Wellbeing

Details were provided of an integrated strategy, developed through discussion with elected members, trade unions, employees, line managers and Human Resources to support a holistic approach to employee wellbeing.

Motion

- 1) To agree to implement, in conjunction with the relevant service areas, targeted mental and physical health interventions where high levels of absence had been identified.
 - 2) To agree to promote and continue to develop good practice and policies aligned to the wellbeing agenda, specifically performance management and sickness absence.
 - 3) To agree to review the stress management, change management and recruitment policies to ensure the Human Resources strategy was fully integrated in supporting the wellbeing of the Council employees.
 - 4) To agree to consistently support and lead conversations with line managers around wellbeing initiatives, e.g. rolling agenda item at SMTs, cascade, training and informal opportunities.
- moved by Councillor Rankin, seconded by Councillor Child

Amendment

- 1) To agree to implement, in conjunction with the relevant service areas, targeted mental and physical health interventions where high levels of absence had been identified.
 - 2) To agree to promote and continue to develop good practice and policies aligned to the wellbeing agenda, specifically performance management and sickness absence.
 - 3) To agree to review the stress management, change management and recruitment policies to ensure the Human Resources strategy was fully integrated in supporting the wellbeing of the Council employees.
 - 4) To agree to consistently support and lead conversations with line managers around wellbeing initiatives, e.g. rolling agenda item at SMTs, cascade, training and informal opportunities.
 - 5) To agree to continue the Wellbeing Working Group for a further six months in order to:
 - a) Provide input during the implementation of these recommendations.
 - b) Identify ongoing recommendations to address key organisational indicators related to colleague wellbeing.
- moved by Councillor Miller, seconded by Councillor Corbett

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

Decision

- 1) To agree to implement, in conjunction with the relevant service areas, targeted mental and physical health interventions where high levels of absence had been identified.

- 2) To agree to promote and continue to develop good practice and policies aligned to the wellbeing agenda, specifically performance management and sickness absence.
- 3) To agree to review the stress management, change management and recruitment policies to ensure the Human Resources strategy was fully integrated in supporting the wellbeing of the Council employees.
- 4) To agree to consistently support and lead conversations with line managers around wellbeing initiatives, e.g. rolling agenda item at SMTs, cascade, training and informal opportunities.
- 5) To agree to continue the Wellbeing Working Group for a further six months in order to:
 - a) Provide input during the implementation of these recommendations.
 - b) Identify ongoing recommendations to address key organisational indicators related to colleague wellbeing.

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

19. Treatment and Disposal of Waste (Street Cleaning and Mechanical Street Sweeping) – Extension to Contract

Approval was sought for a short term contract extension, via waiver, for the treatment and disposal of waste from street cleaning and mechanical street sweepings to ensure continuity of service until such time as a new contract was put in place via the new 'Recyclable and Residual Waste' Scotland Excel (SXL) Framework. The value of the extension (inclusive of that approved by Delegated Authority to date) was £550,000.

Decision

To approve a short term contract extension, via waiver, for the treatment and disposal of waste from street cleaning and mechanical street sweepings. This would ensure continuity of service provision until a new contract could be implemented via the newly established Scotland Excel (SXL) Framework for 'Recyclable and Residual Waste', which was expected to offer commercial efficiency and best value for the Council.

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

20. Traffic Signal Equipment Maintenance and Ancillary Support Services – Extension to Contract

Approval was sought for a short-term contract extension, via waiver, for the maintenance of the city's traffic signals infrastructure for the period 4 November 2018 to 31 July 2019 to ensure continuity of service provision until such time as a new contract was put in place. The value of the extension (inclusive of that approved by Delegated Authority to date) was £450,000.

Decision

To approve a short-term contract extension, via waiver, for the maintenance of the city's traffic signals infrastructure for the period 4 November 2018 to 31 July 2019 (this included a period of extension which was approved under Delegated Authority). This would ensure continuity of service provision to allow time for the current tender process to be finalised and a new contract put in place.

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

21. Extension of Health and Social Care Contracts

On 1 February 2019, the Committee agreed to delegate approval of the extension of six health and social care contract bundles (overnight support; sensory support; housing support for older people; substance misuse; volunteering support; and carers) to the Chief Officer of the Health and Social Care Partnership. An update was provided on the decision taken by the Chief Officer of the Health and Social Care Partnership.

Decision

To note the agreement to extend the contracts with the providers for the annual values and periods listed in Appendix 1 of the report.

(References – Finance and Resources Committee, 1 February 2019 (Item 19); report by the Chief Officer, Health and Social Care Partnership, submitted.)

22. Contract Waiver for the Edinburgh Health and Social Care Partnership

Approval was sought for the waiver of Contract Standing Orders to allow the direct award of a contract to Partners 4 Change. This contract would provide change management support to the Edinburgh Health and Social Care Partnership (EHSCP) with the implementation of a new operating model, known as the Three Conversations model. This would form a key element of the EHSCP's transformation and change programme.

Decision

To approve the direct award of the contract to Partners 4 Change for the period April 2019 to April 2020 at a cost of £80,000 plus expenses capped at a further £12,000.

(References – Edinburgh Integration Joint Board, 8 February 2019 (Item 6); report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

23. Award of Contracts for Subsidised Childcare for Working Parents

Approval was sought to award four contracts for the provision of Subsidised Childcare for Working Parents to:

- Smile Childcare: £1,294,065;
- Childcare Connections Limited: £661,200;
- North Edinburgh Childcare: £1,976,845; and

- Kidzcare Limited: £447,990

Decision

To approve the award of four contracts for the provision of Subsidised Childcare for Working Parents. The contract duration would be for 36 months, with an option to extend for up to a further two periods of 12 months each (subject to the Council's budget setting process). Each contract start date would be 1 April 2019. The total estimated value of the contracts to the Council, including extensions, was £4,380,100.

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

24. Greendykes North, Plots K and L Craigmillar – Proposed Disposal Strategy

On 1 November 2018, the Housing and Economy Committee approved the disposal of the sites to Places for People with the stipulation that a report on the financial consequences of the strategy be provided to the Finance and Resources Committee for approval. Details on the financial implication of the approved strategy were provided and approval was sought to continue with the disposal of Places for People.

Decision

- 1) To approve the disposal strategy for Greendykes North Plots K&L at Craigmillar, to Places for People on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.
- 2) To note the financial implications of agreeing with such a disposal.
- 3) To instruct the EDI Board on the necessary steps to proceed with the disposal.

Declaration of Interests

Councillors Kate Campbell and Whyte declared a non-financial interest in the above item as non-executive Directors of EDI.

(References – Housing and Economy Committee, 14 November 2018 (item 10); report by the Executive Director of Resources, submitted.)

25. 23 Cockburn Street, Edinburgh – Proposed Lease Extension

Approval was sought to grant a 20 year lease extension to Stills Limited on the terms and conditions outlined in the report.

Decision

To approve a 20 year lease extension to Stills Limited of 23 Cockburn Street, Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

26. City Chambers – Proposed New Lease of Part of Level 9

Approval was sought to grant a lease of office space on level 9 City Chambers to VisitScotland on the terms and conditions outlined in the report.

Decision

To approve a new lease to Visit Scotland of rooms 9.42 and 9.43 on level 9 of the City Chambers 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. Contract Awards and Procurement Programme (Period 1 July 2018 to 31 December 2018)

An update was provided on the scope of contracts awarded across the Council in the period 1 July to 31 December 2018 under Delegated Authority. Details of the forthcoming procurement programme in relation to expected higher value contracts across the Council were also outlined.

Decision

To note the report and the authorisations made under Delegated Authority. A further report would be submitted to the Committee in approximately six months' time.

(References – Finance and Resources Committee, 11 October 2018 (Item 27); report by the Executive Director of Resources, submitted.)

28. Health and Safety Performance in 2018

Details were provided on progress and performance in relation to health and safety in 2018.

Decision

To note health and safety progress and performance in 2018.

(References – Finance and Resources Committee, 27 March 2018 (Item 14); report by the Executive Director of Resources, submitted.)

29. Proposed New Lease of Land for a Community Garden at Broomhouse, Edinburgh

Approval was sought to grant a 15-year lease to The Broomhouse Centre and Enterprises on the terms and conditions outlined in the report.

Decision

To approve the grant of a new 15-year lease to The Broomhouse Centre and Enterprises on the terms and conditions outlined in the report and on such other terms and conditions to be agreed by the Executive Director of Resources.

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

30. Resolution to Consider in Private

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following items of business for the reason that it involved the likely disclosure of exempt information as

defined in Paragraphs 6 (items 31 and 32), 8 (item 32) and 9 (item 32) of Part 1 of Schedule 7(A) of the Act.

31. Miscellaneous Debts – Write-Off

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

Decision

To agree the write-off of miscellaneous debt, as detailed in the Confidential Schedule, signed by the Convener, with reference to this minute.

(References – Corporate Policy and Strategy Committee, 7 August 2018 (Item 7); report by the Executive Director of Resources, submitted.)

32. Fountainbridge Development – Outline Business Case

The Committee considered a report which set out a business case for development on the Council's site at Fountainbridge.

Decision

- 1) To agree the outline business case for the Fountainbridge development.
- 2) To agree to the initiation of a procurement process to appoint a development partner for the Fountainbridge development.

(References – Housing and Economy Committee, 1 November 2018 (Item 9); report by the Executive Director of Place, submitted.)

Finance and Resources Committee

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
1.	Workforce Dashboard	August 2019		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk	All F&R Committees	
2.	Spend to Save	August 2019		Executive Director of Resources Lead Officer: Fraser Rowson 0131 469 3166 fraser.rowson@edinburgh.gov.uk		
3.	Gender Pay Update	August 2019		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk		
4.	Carbon Reduction Commitment (CRC) Annual Report	August 2019		Executive Director of Resources Lead Officer: Alison Henry 0131 469 3172 alison.henry@edinburgh.gov.uk	Annual	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
5.	Commercial and Procurement Annual Report	August 2019		Executive Director of Resources Lead Officer: Iain Strachan 0131 529 4930 iain.strachan@edinburgh.gov.uk	Annual	
6.	Provisions of Registrar Services	August 2019		Executive Director of Place Lead Officer: Robbie Beattie 0131 555 7980 robbie.beattie@edinburgh.gov.uk		
7.	Boroughmuir Rugby Club – Proposed Lease	August 2019		Executive Director of Resources Lead Officer: Lindsay Glasgow 0131 lindsay.glasgow@edinburgh.gov.uk		
8.	Updated Domestic Abuse Policy	August 2019		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk		
9.	Award of Contract for Delivery of Travel Planning Services in Workplaces 2019-20	August 2019		Executive Director of Place Lead Officer: Judith Cowie 0131 469 3694 judith.cowie@edinburgh.gov.uk		

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
10.	Finance Policies Assurance Statement	August 2019		Executive Director of Resources Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	Annual	
11.	Treasury Management Annual report	August 2019		Executive Director of Resources Lead Officer: Innes Edwards 0131 469 6291 innes.edwards@edinburgh.gov.uk	Annual	
12.	Capital Monitoring Outturn Report	August 2019		Executive Director of Resources Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	Annual	
13.	Capital Monitoring P3 Report	August 2019		Executive Director of Resources Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk		
14.	Revenue Monitoring Outturn report	August 2019		Executive Director of Resources Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	Annual	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
15.	Common Good Annual Performance	September 2019		Executive Director of Resources Lead Officer: Liam McDonald 0131 469 3174 liam.macdonald@edinburgh.gov.uk	Annual	
16.	Consultants Costs	September 2019		Executive Director of Resources Lead Officer: Iain Shaw 0131 469 3117 iain.shaw@edinburgh.gov.uk	Annual	
17.	Fraud Prevention and Detection - Annual Report	October 2019		Executive Director of Resources Lead Officer: Nicola Harvey 0131 469 5006 nicola.harvey2@edinburgh.gov.uk	Annual	
18.	Annual report – Debt Write off	February 2020		Executive Director of Resources Lead Officer: Nicola Harvey 0131 469 5006 nicola.harvey2@edinburgh.gov.uk	Annual	
19.	Miscellaneous Debt-Write off	March 2020		Executive Director of Resources Lead Officer: Nicola Harvey 0131 469 5006 nicola.harvey2@edinburgh.gov.uk	Annual	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
20.	Health & Safety Performance Report	March 2020		Executive Director of Resources Lead Officer: Susan Tannahill 0131 553 8336 susan.tannahill@edinburgh.gov.uk	Annual	

Finance and Resources Committee

23 May 2019

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1.	23 February 2017	Strategic Direction for Tackling Homelessness	To agree that the Executive Director for Communities and Families 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.	Executive Director for Communities and Families		17 May 2019	Recommended for closure. The Housing and Economy Committee considered the Council's Rapid Rehousing Transition Plan (RRTP) on 21 March 2019. The RRTP was shared with members of Finance and Resources Committee on 17 May 2019.
2.	27 March 2018	Sickness Absence Policy	To note that, in addition to the standard review process, a report would be brought to	Executive Director of Resources	November 2019		This policy will be implemented in October 2018 and reviewed 12 months thereafter.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			committee 12 months after implementation of this policy to review its impact and make any further recommendations for potential improvement.				
3.	12 June 2018	Provisions of Registrar Services	To agree a report would be brought back to Committee reporting on registrar provision across the city.	Executive Director of Place	15 August 2019		A report will be brought to the Committee for consideration at the meeting on 15 August 2019.
4.	12 June 2018	Award of Festival Attraction Contract for the Summer Period in Princes Street Gardens	The Head of Place Management to investigate the policy on the use of greenspace for events and report back to Councillor Miller.	Executive Director of Place	June 2019		This is being addressed through the launch of the Edinburgh Parks Events Manifesto. A report will be considered at the Transport and Environment Committee in June 2019.
5.	16 August 2018	Construction Charter	To recognise that the Charter was a living document and agree that work with the Trade	Executive Director of Resources	15 August 2019		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Unions and contractors would continue during the implementation phase, with a report reviewing the Charter to be brought back to Committee in 12 months.				
6.	11 October 2018	Gender Pay Gap	Notes the further analysis and actions outlined in paragraphs 3.26 and 3.27 of the report, and calls for an update on these activities in not more than 12 months.	Executive Director of Resources	October 2019		
7.	11 October 2018	Variation to Care at Home Contract – B Agenda item	To agree that officers would meet with Councillor Miller to address a number of questions she had and a briefing note would be circulated to members of the Committee	Chief Officer, Health and Social Care Partnership	March 2019	May 2019	Recommended for closure. Councillor Miller has indicated that she no longer requires this meeting to take place.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			detailing the responses provided by officers.				
8.	4 December 2018	Business Bulletin	To agree that a report on the profile of each Spend to Save project would be brought to Committee at the end of the financial year.	Executive Director of Resources	15 August 2019		A report will be submitted to the Committee meeting on 15 August 2019 for consideration.
9.	4 December 2018	Capital Monitoring 2018/19 – Half-Year Position	To agree that a briefing note be circulated to members providing clarity on how much of the budget for walking and cycling projects had been spent, what the percentage of the total budget was used for cycle projects, and a fuller explanation on the reasons for the slippage in the active travel projects.	Executive Director of Place	May 2019	May 2019	Recommended for closure. Briefing Note circulated to members of Finance and Resources Committee and Governance, Risk & Best Value Committee on 6 May 2019.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
10.	4 December 2018	Workforce Dashboard	To agree to include details for each of the Executive Directors FTE budget alongside the trend charts in future reports.	Executive Director of Resources	Ongoing		Discussions are ongoing around the practicalities of incorporating this information.
11.	4 December 2018	Edinburgh Targeted and Integrated Employability Service	To agree to highlight the potential implications that EU funding ceasing would have on Council employability services to the Brexit Working Group for further scrutiny.	Executive Director of Place	March 2019	March 2019	Recommended for closure. The Brexit Working Group meeting on 8 March 2019 considered this issue as part of its agenda - closed
12.	4 December 2018	Temporary Accommodation Off-Contract Waiver	To agree that the Convener would discuss with the Housing and Economy Convener and Councillor Miller the possibility of preparing	Executive Director for Communities and Families	May 2019		A meeting is being arranged with the Housing and Economy Convener and Councillor Miller.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			a holistic report which brought together the policy and financial elements of temporary accommodation and to decide thereafter what Committee would be best placed to consider it.				
13.	1 February 2019	Revenue Monitoring 2018/19 - Month Nine Position	To agree that the net revenue amount anticipated for garden waste charging in the 2019/20 budget be emailed to members as soon as possible.	Executive Director of Place		3 May 2019	Recommended for closure. A Briefing Note was circulated to Councillors on 3 May 2019.
14.	1 February 2019	Asset Management Strategy Transformation Programme	To agree to explore the options and opportunities available for sponsorship of Council buildings and feedback to Committee as appropriate.	Executive Director of Resources	15 August 2019		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
15.	1 February 2019	Feedback on the Change Strategy and Budget Proposals 2018	To request that details of best practice and the methodology which sat behind the respondents to the engagement document be provided in future reports.	Chief Executive	August 2019		Additional information about the process behind each engagement method was included in the report on engagement which was considered at Full Council on 21 February 2019. A report will also be going to the Corporate, Policy and Strategy Committee seeking approval for proposals for ongoing engagement on the Council's change and budget processes. This report will provide information on best practice in this area.
16.	1 February 2019	Accounts Commission: Local Government in Scotland - Financial Overview	To agree that the additional report requested by the Governance, Risk and Best Value Committee	Executive Director of Resources	March 2019	March 2019	Recommended for closure. Report was considered at the meeting on 7 March 2019 and

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		2017-18 - referral from the Governance, Risk and Best Value Committee	on distribution and principles of Local Government funding be prepared for the next Finance and Resources Committee.				referred to Governance, Risk and Best Value Committee.
17	7 March 2019	Revenue Budget Framework 2019/24 - Progress Update	To agree that the report to Committee on 23 May 2019 identify additional potential savings or income generating measures in 2019/20 in order that these could be applied as necessary where slippage or change in planned actions required alternatives.	Executive Director of Resources	23 May 2019		A report is on the agenda for consideration at this meeting (item 7.7)
18	7 March 2019	Capital Strategy 2019-24	To arrange an elected members workshop on the Capital Strategy prior to the Council meeting on 14 March 2019.	Executive Director of Resources		13 March 2019	Recommended for closure. Briefing Workshop was held on 13 March 2019.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
19	7 March 2019	Managing Organisational Change Policy	To continue the report for one cycle in order to carry out further consultation with relevant union representatives.	Executive Director of Resources	23 May 2019		A report is on the agenda for consideration at this meeting (Item 7.1)
20	7 March 2019	Retirement Policy	To request a report on the removal of the 13 wind-down days when an employee voluntarily retires be provided to Finance and Resources Committee in May 2019 evaluating the policy in light of all evidence for decision.	Executive Director of Resources	23 May 2019		A report is on the agenda for consideration at this meeting (item 7.2)
21	7 March 2019	Fountainbridge Development – Outline Business Case – B agenda item	To request that a version of the report with sensitive information removed would be provided for publication.	Executive Director of Place			Recommended for closure. The report was prepared and circulated to the Conveners of Finance & Resources and Housing & Economy and provided

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							for Fountainbridge Sounding Board.
22	14 March 2019 (Full Council)	Motion by Councillor Watt – Funding of Temporary Accommodation for Homeless People (see agenda of 14 March 2019)	Calls for a report to be submitted to Finance & Resources Committee, within four cycles, which sets out a business case for a model of temporary accommodation for people with low support needs. This should include options for investment in council owned property and consideration of shared housing. The report should explore what role the model could play within our RRTP, demonstrate how this could work and analyse the impact on existing business models.	Executive Director of Resources Executive Director for Communities and Families	6 December 2019		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
23	30 January 2019 (action remitted from the North West Locality Committee March 2019)	Business Bulletin – Review of Janitorial Services in Community Centres and Schools	To request that training for management committees, as a result of taking on any additional duties, be picked up as part of the six monthly review of the Service Level Agreement for janitorial services.	Executive Director of Resources			Will be included as part of the Asset Management Strategy update reports to Committee.
24	2 May 2019 (Full Council)	Motion by Councillor McVey – Support for Council Employees Subject to Domestic Abuse (see agenda of 2 May 2019)	Requests that the Executive Director of Resources submits an updated domestic abuse policy relating to Council employees, within three cycles, to the Finance and Resources Committee which reconfirms the existing commitment to paid special leave, or safe leave, for people	Executive Director of Resources	December 2019		



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			who are experiencing domestic abuse and updates and aligns the policy fully with the Domestic Abuse (Scotland) Act 2018.				

Finance and Resources Committee

10.00am, Thursday 23 May 2019

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

Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Cllr Alasdair Rankin</p>  <p>Vice-Convener Cllr Cameron</p> 	<ul style="list-style-type: none"> ▪ Councillor Child ▪ Councillor Corbett ▪ Councillor Gordon ▪ Councillor Hutchison ▪ Councillor Johnston ▪ Councillor Miller ▪ Councillor Munn ▪ Councillor Neil Ross ▪ Councillor Whyte 	<p>Stuart Johnston Committee Officer Tel: 0131 529 7035</p> <p>Liam MacDonald Service Policy Advisor Tel: 469 3174</p>

Recent news	Background
<p>At the Council meeting of 14 March, the EU Registration motion by Councillor McVey was approved, and requested that expenditure on provision of assistance by Registration Services to citizens making EU Settled Status applications be monitored and reported through the Business Bulletin of the Finance and Resources Committee.</p> <p>In March 2019 there were 139 applications of which 34 (25%) were from out with Edinburgh area. In the first two weeks of April there were 105 applications of which 40 (38%) were from out with Edinburgh. If a charge of £14 had been levied on the 74 applications from out with Edinburgh during March to 12 April 2019 this would have amounted to £1,036. Applications for assistance have been received from across the country including Aberdeen, Bathgate, Dundee, Fort William, Glasgow, Inverness, Kelso, Kilmarnock, Kirkcaldy, Oban and Newcastle.</p>	<p>Robbie Beattie, Senior Manager. Tel: 0131 555 7980 Email: robbie.beattie@edinburgh.gov.uk</p>

Forthcoming activities

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Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Managing Change Policy

Item number	7.1
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

1.1 To approve the new Managing Change Policy.

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

Managing Change Policy

2. Executive Summary

- 2.1 The Managing Change Policy sets out our approach to drive continual improvement when a significant requirement for change is identified. This policy aims to ensure that colleagues are engaged early in the design process and that they are engaged and supported throughout the process.
- 2.2 The policy replaces our current procedures covering Organisational Review, Redeployment and Redundancy, which were approved at Committee on 1 March 2011, 4 February 2010 and 28 January 2010 respectively.
- 2.3 The policy was previously discussed at Committee in March, where concerns raised by the trade unions and elected members were noted. Following further consultation, there is confidence that these have been addressed in the main.
- 2.4 The policy has been updated to reflect the position reached following further consultation and is provided for consideration, as per the Committee's request.

3. Background

- 3.1 The new Managing Change Policy was previously considered by the Finance and Resources Committee on 7 March 2019.
- 3.2 It was noted that the trade unions believed that the policy would benefit from further consultation to address outstanding concerns.
- 3.3 Consultation with Trade Unions re-opened on 12 March 2019. In line with the required deadlines for submission of papers prior to consideration at Committee, it was agreed at the outset to aim to conclude consultation on 3 April 2019. This was achieved, and a total of 7 sessions were held during that period.
- 3.4 A significant level of progress was made during consultation, and subsequent revisions made to policy and/or guidance. Although there has been no collective agreement reached, we have confidence that there is now better understanding between management and trade unions surrounding the principles that underpin the proposed change and that the points raised have been sufficiently addressed.

4. Main report

- 4.1 The key principles, intent, style and structure of the policy are broadly similar to the version provided for consideration in March, although key updates are undernoted.
- 4.2 More clarity has been written into the policy surrounding its purpose and intent. It was felt important to be explicit that the intention of the policy is to be an enabler for more effective organisational change, which does not inevitably or exclusively impact structures or existing roles.
- 4.3 Explicit reference to the change governance process is now included in policy and guidance, as reassurance that organisational change cannot be affected without appropriate challenge and approval.
- 4.4 The purpose of employee involvement in the early stages of the change process was an area of concern. This has been addressed through some re-wording to provide greater clarity and alleviate these concerns.
- 4.5 A balance has been struck between the policy and guidance, which has addressed concerns relating to the selection process, specifically in relation to areas where posts may be at risk of redundancy.
- 4.6 During consultation, it was acknowledged there may be situations where the previous proposal to offer VR only to displaced staff at the end of consultation might not be the most appropriate approach. The 'Redundancy Process' section of the policy now outlines scenarios where VR may be offered at the beginning of formal consultation (specifically, in the event of a diminished pool of similar roles).
- 4.7 There was detailed discussion surrounding the management of redeployment for those displaced by organisational change. The principle of the right to end employment where a displaced colleague refuses to consider suitable alternative employment on 2 occasions remains. However, the safeguards that will exist surrounding such decisions have been made more explicit within policy and guidance.
- 4.8 Further assurance was provided to trade unions surrounding the support that would be provided to displaced employees in finding suitable alternative employment following the removal of the Career Transition Service. Towards the end of consultation, it was also confirmed that a resource of 1 FTE had been approved for a 12-month period to provide additional redeployment support.
- 4.9 The proposed reduction to the redundancy multiplier was discussed again with the trade unions, but no change to the revisions set out in March are being proposed. The policy therefore proposes a change to the current redundancy multiplier of 1.7 for those with access to pension and 2.7 for those without access to pension, to a multiplier of 1.5 for those with access to pension and 2.5 for those without access to pension. Consensus on this topic was not reached, and so it is recognised that the trade unions' position remains there should be no change to existing multiplier arrangements.

- 4.10 Benchmarking with other local authorities shows that our proposed multiplier is still in the upper quartile.

5. Next Steps

- 5.1 An implementation plan will be put into effect, commencing with the design of management development course to support the policy;
This will include any transition arrangements from old to new terms should these also be approved.

6. Financial impact

- 6.1 As outlined in the Committee Report provided to Finance and Resources Committee on 7 March 2019.

7. Stakeholder/Community Impact

- 7.1 As outlined in the Committee Report provided to Finance and Resources Committee on 7 March 2019.

8. Background reading/external references

- 8.1 Managing Change Report, 7 March 2019:
[file:///H:/Item_7.9_Managing_Change_Policy%20\(1\).pdf](file:///H:/Item_7.9_Managing_Change_Policy%20(1).pdf)

9. Appendices

Appendix 1 – Benchmarking on Multipliers

Appendix 1: Benchmarking on Multipliers Local authority	Actual Multiplier
Edinburgh	2.70
Council 1	2.60
Council 2 (Edinburgh-proposed)	2.50
Council 3	2.20
Council 4	2.20
Council 5	2.20
Council 6	2.20
Council 7	2.20
Council 8	2.20
Council 9	2.20
Council 10	2.20
Council 11	2.20
Council 12	2.20
Council 13	2.20
Council 14	2.00
Council 15	2.00
Council 16	2.00
Council 17	1.73
Council 18	1.50
Council 19	1.50
Council 20	1.50
Council 21	1.47
Council 22	1.33
Council 23	1.33
Council 24	1.00
Council 25	1.00

Mean: 1.94

Median: 2.20

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Retirement Policy

Item number	7.2
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

- 1.1 To approve the removal of a 13-day winding-down provision which applies when an employee voluntarily retires from the organisation.

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

Retirement Policy

2. Executive Summary

- 2.1 The purpose of this report is to provide further information to Committee in response to the motion posed by the Coalition at Finance and Resources committee on 7 March 2019, which requests that more information be provided in relation to the removal of the 13-day winding-down provision when an employee voluntarily retires.

3. Background

- 3.1 The Managing Retirement Policy required an update to reflect the change in pension regulations. At the same time, the opportunity was taken to review the language and to ensure that the policy was still fit for purpose, ensuring fairness, employee choice and best value, whilst remaining compliant with regulatory changes.
- 3.2 The changes also included the recommendation to remove a 13-day winding-down provision currently available to employees when they voluntarily retire. In addition to this provision, colleagues can 'ease' into Retirement by requesting flexible retirement, a separate provision, which allows employees to reduce their hours whilst receiving benefits from the pension scheme before opting to fully retire.
- 3.3 The policy was approved at the Finance and Resources Committee on 7 March 2019, with the exception of the proposal to remove the winding-down provision. A motion was accepted to convene again at Committee on 23 May 2019 to consider further information pertaining to the removal of this provision.

4. Main report

- 4.1 Since the Committee in March, further analysis and consideration of the winding-down provision has been undertaken and it remains our recommendation that this provision be removed from the policy.
- 4.2 Colleagues who intend to retire normally will be able to do so from the age of 55 in line with pension regulations, where they have access to the pension. Colleagues who wish to access a more flexible retirement option by reducing their hours

gradually, over a longer period, whilst collecting pension benefits will still have the option to do so under the Council's Flexible Retirement option. While Flexible Retirement needs to be approved our records show that, of 152 applications between 2016 and 2019, only 3 had been declined, demonstrating our supportive approach to these requests as an organisation.

- 4.3 Whilst the policy is in place to ensure compliance with pension regulations, the 2014 policy lacks clarity as to who the provision of 13 winding-down days applies to.
- 4.4 Data indicates that on average 214 employees left the council by reason of retirement each year over the past 3 years, totalling 643 employees. Due to a lack of data recording, there is no way to establish how many of these employees accessed all 13 winding-down days, but it would be reasonable to assume that the majority, if not all, would have accessed this provision. This would equate to over 8,300 working days with a lost productivity cost of circa £0.36m per year.
- 4.5 214 retirements each year equates to 9.5% of those who were eligible to retire age 60 or above. As the regulation has changed and retirement can be taken from age 55, we have applied the 9.5% yearly trend to those now eligible to retire. This would increase the cost in lost productivity to circa £0.83m per year if we assumed that the 13 days are taken.
- 4.6 Any additional backfill costs are unquantifiable, but would be in addition to the aforementioned costs in lost productivity.
- 4.7 In addition to the cost implication for keeping this provision in place, on contacting 7 other local authorities, including our nearest comparators, they do not offer winding-down days. (This has either never been a provision or it has been subsequently removed).

5. Next Steps

- 5.1 If approved, the policy submitted in March 2019 would come into effect without the provision of 13 winding down days.

6. Financial impact

- 6.1 Productivity costs associated with removal of the winding-down days could be significant.

7. Stakeholder/Community Impact

- 7.1 Trade Unions have been consulted on this policy and no agreement could be reached on the removal of winding-down days.

8. Background reading/external references

- 8.1 Retirement Policy Report, 7 March 2019:
[file:///H:/Item_7.10_Retirement_Policy%20\(1\).pdf](file:///H:/Item_7.10_Retirement_Policy%20(1).pdf)

9. Appendices

- 9.1 None

Finance and Resources Committee

10.00am, Thursday 23 May 2019

Workforce Control Annual Report

Item number	7.3
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

The Committee is recommended to:

- 1.1 To scrutinise the progress made to date and note the workforce trends over the period January to December 2018; and
- 1.2 To refer this report to Governance, Risk and Best Value Committee as part of its work programme.

Stephen S. Moir

Executive Director of Resources

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Workforce Control Annual Report

2. Executive Summary

- 2.1 This report provides a summary of workforce metrics for the core and flexible workforce (agency and overtime), absence, and transformation/redeployment for the 2018 calendar year.
- 2.2 Core workforce FTE and basic salary costs were significantly more stable in 2018 when compared with the 2016 and 2017 reporting years. In the 12-month period the organisational workforce FTE decreased by 41 and the cost of basic salaries increased by £2.6m. The cost of new starts to the organisation was £3.5m less than the cost of organisational leavers.
- 2.3 Whilst post-transformation organisational reviews were ongoing throughout 2018 to implement changes to service operating models, improve service delivery, and achieve budget savings, the impact of these on the overall workforce and costs in 2018 was less pronounced.
- 2.4 The cost of the agency workforce increased by £3.7m, and the cost of overtime increased by £1.5m when compared with the previous reporting year. Flexible workforce costs should be considered in the context of an overall reduction in LGE workforce of 967 FTE since 2015 and total working days lost to absence in the period (the equivalent of 760 FTE).
- 2.5 Targeted approaches to manage absence across the organisation continued throughout 2018. A new absence policy was implemented at October 2018 and Directorates implemented regular Support and Challenge panels to drive effective and consistent absence management across the organisation.
- 2.6 The organisation's monthly absence rates were marginally lower in 2018 when compared with the 2017 trend. The total working days lost to absence reduced by around 1k days in 2018, and the 12-month rolling absence rate reduced from 5.41% at 2017 to 5.37% at 2018.

3. Background

- 3.1 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.
- 3.2 Since the last report update to committee, the Council has continued to maintain and develop a robust workforce dashboard and management information (MI) process to provide consistent, regular, and accurate workforce MI/data at the organisation and Directorate levels; to facilitate workforce controls, strategic workforce planning, and to measure performance.
- 3.3 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, 23 February 2017, and 12 June 2018.
- The reporting period for this report is January 2018 to December 2018.

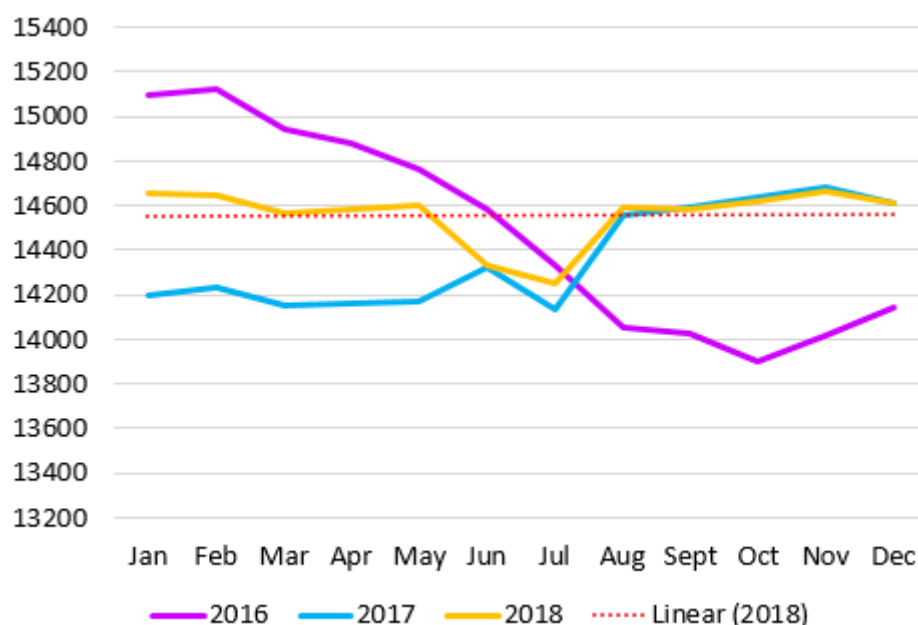
4. Main report

- 4.1 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;
 - Agency costs for primary, other, and off-contract suppliers and trends;
 - Overtime costs and trends;
 - Sickness absence rates, the reasons and costs of absence, and the impact of open ended long-term absence cases on organisation FTE.

Core Workforce

- 4.2 Following large scale workforce FTE reduction in 2016 and a subsequent workforce FTE increase throughout 2017 (predominantly linked to additional Pupil Equity Funding), the organisation's FTE was more stable in 2018, with an overall FTE reduction of 41 FTE between January 2018 and December 2018.
- 4.3 The normal seasonal variation in organisation FTE was observed (Figure 1), reflecting the reduced FTE requirement in the Schools and Lifelong Learning service over the summer recess (July/August) and new contractual arrangements in place at the start of the new school term (mid-August). This trend is not visible in the 2016 data due to employee reductions from transformation organisational reviews.
- 4.4 The reduction in organisational FTE is linked to the Local Government Employee population, where there was a reduction of 67 FTE. In the same period the Teaching population grew by 21 FTE. The balance of 5FTE is made of other employee groups e.g. Craft.

Figure 1: Workforce FTE 2016 - 2018



- 4.5 Directorate FTE trends for the 2018 period are contained in Appendix 1. The change in Directorate FTE between January and December 2018 is shown in Figure 2.
- 4.6 The Communities and Families and Place Directorates both experienced a net increase in workforce FTE over the year. Whilst some services in the Communities and Families Directorate experienced a reduction in FTE (Community Justice and Locality services reduced by 40 FTE), these reductions were offset by an increase of 88 FTE, in the Schools and Lifelong Learning service. The Place Development (up 36 FTE) and Place Management (up 30 FTE) services in the Place Directorate also experienced an increase in workforce FTE.
- 4.7 Reductions in FTE took place in the Chief Executive, Edinburgh Health and Social Care Partnership, and Resources Directorates. Notable reductions in FTE were observed in the Health and Social Care Localities service (down 120 FTE), the Executive Support service (down 30 FTE), and Human Resources (down 17 FTE).
- 4.8 FTE change by employee group is captured in Figure 3 which shows that the LGE population reduced by 67 FTE and the Teaching population increased by 21 FTE over the 12-month period. Appendix 3 details the change in Local Government Employee FTE and basic salary costs between January 2018 and December 2018, including 2015 and 2017 figures for comparison. Variation in FTE and costs took place during 2018 in Grades 3, 4 and 5 as a result of organisational review and there were further reductions in FTE at Grade 9 (reduction of 6 FTE) and Grade 10 (reduction of 9 FTE). The increased workforce at GR12 reflects the completion of recruitment to key roles which were vacant at the beginning of the year.
- 4.9 In 2018 our basic salary costs increased by £2.6m, from £402.5m to £405.1m (Figure 4). This compares with an increase of £18.8m in 2017, primarily associated with additional Pupil Equity Funding. A reduction in costs was observed over the

summer months and is linked to reduced FTE in the Schools and Lifelong Learning Service during the summer recess.

Figure 2: Directorate FTE - January 2018 and December 2018

Directorate	Jan 2018	Dec 2018	FTE Change
Chief Executive	158	147	-11
C&F	7508	7573	65
EH&SCP	2323	2233	-91
Place	2333	2392	60
Resources	2280	2228	-52
Surplus	50	38	-12
Council Total	14652	14611	-41

Figure 3: Workforce Groups FTE - January 2018 and December 2018

Category/ Group	Jan 2018	Dec 2018	FTE Change
Local Government Employee GR1-GR12 <i>including Craft</i>	10901	10834	-67
Chief Official	19	18	-1
Craft Apprentice	15	21	6
Teaching Total	3717	3738	21
Council Total	14652	14611	-41

4.10 Directorate basic salary cost trends for the 2018 period are contained in Appendix 2. Basic salary cost trends are generally in line with the FTE changes observed in Directorates over the same period.

4.11 Change in Directorate basic salary costs between January and December 2018 is shown in Figure 5. There were cost reductions in the Chief Executive, Edinburgh Health and Social Care and Resources Directorates, and the surplus workforce

(total reduction of £2.2m). The Communities and Families and Place Directorates both experienced an increase in basic salary costs in the same 12-month period (total increase of £4.8m). Basic salary cost variation is linked to increasing/decreasing Directorate FTE.

Figure 4: Workforce Basic Salary Cost 2016 – 2018

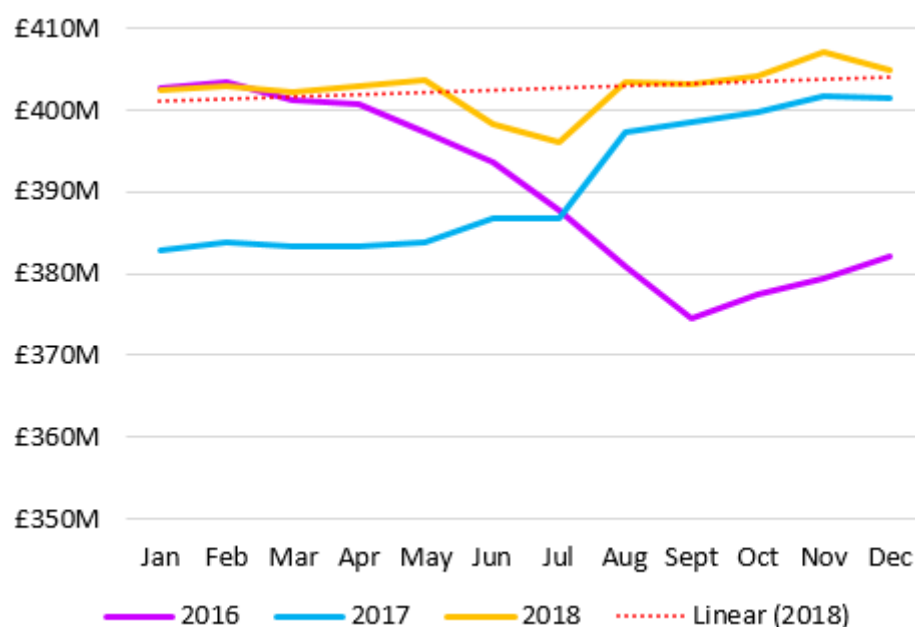
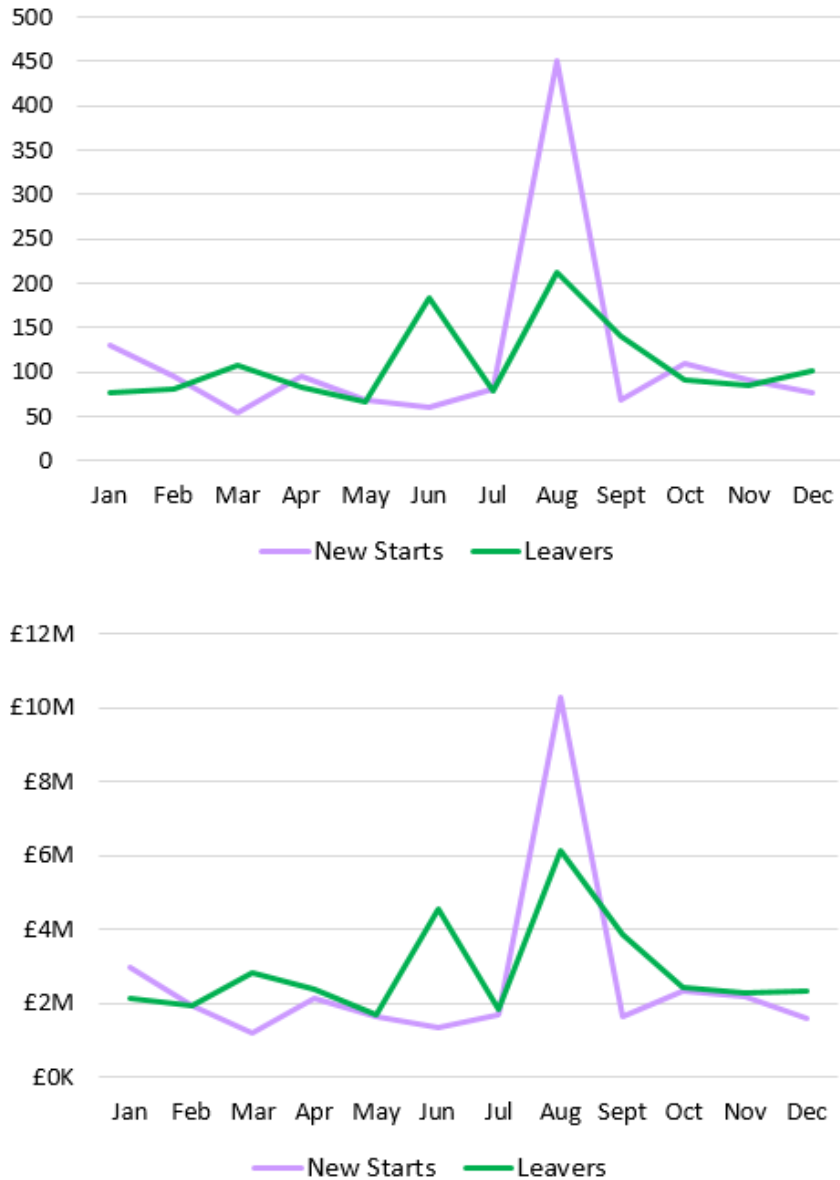


Figure 5: Directorate Basic Salary Costs - January 2018 and December 2018

Directorate	Jan 2018	Dec 2018	Cost Change
Chief Executive	£5.9M	£5.6M	- £268K
C&F	£230.4M	£233.1M	£2.77M
EH&SCP	£51.6M	£50.6M	- £961K
Place	£59.8M	£61.8M	£2.05M
Resources	£53.2M	£52.5M	- £661K
Surplus	£1.7M	£1.4M	- £358K
Council Total	£402.5M	£405.1M	£2.6M

4.12 The figures include the application of pay steps and contribution based pay at April 2018 at a cost of approx. £3.5m, but do not include the 2018/19 and 2019/20 annual pay awards applied retrospectively at April 2019.

Figure 6: Workforce New Starts and Leavers 2018



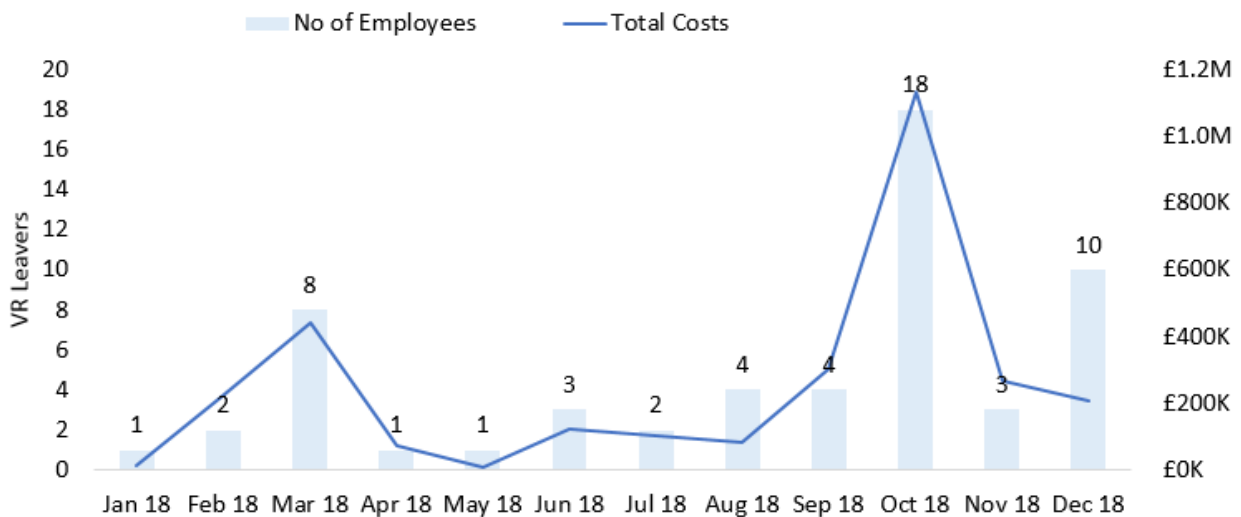
4.13 A breakdown of new starts and leavers (FTE and basic salary costs) in each month is shown in Figure 6. Over the year, there were 1318 new starts to the organisation and 1305 leavers, giving a net increase of 13 FTE from new starts. Whilst there was an increase in FTE from new starts to the organisation, the overall organisational FTE reduction is partly due to contractual changes in the existing workforce (e.g. fewer contracts or fewer contractual hours). Therefore, the £2.6m increase on pay bill for this period, is as a result of contribution-based pay increases and any other changes to terms (e.g. working hours) and roles (e.g. grade increase) of existing employees.

4.14 Over the 12 months the total cost of organisation new starts was £30.9m and leavers was £34.4m, giving a net saving of £3.5m in this area. This means that the

cost of new employees joining the organisation was lower than the cost of those employees that left in 2018.

- 4.15 In 2018, 57 employees left the Council (with total basic salary cost of £3.0m) as a result of VERA/VR arrangements linked to organisational reviews. This compares with 177 VERA/VR leavers (£6.1m) in 2017 and 700 (£28.3m) VERA/VR leavers in 2016. VERA/VR leavers in the 2018 period are included in the organisation leaver data referred to in this report (FTE and costs).
- 4.16 Figure 7 shows the total VERA/VR leavers over the year and the associated salary costs. There were peaks in VERA/VR leavers at October 2018 (review of Human Resources service) and December 2018 (review of Executive Support service).

Figure 7: Organisation VERA/VR Leavers and Basic Salary Cost 2018



Flexible Workforce (Agency and Overtime)

- 4.17 Our total agency spend for the year was £22.5m, with an average monthly cost of approx. £1.88m. This compares with a total spend of £18.8m in 2017. The figures do not include the application of the 18/19 pay award and therefore it can be inferred that the increased spend is linked to increased utilisation of agency workers. Agency cost trends are shown in Figure 8.
- 4.18 Note that month on month agency cost fluctuation can be linked to the nature of the billing process. Peaks in costs correlate broadly with the requirement for additional temporary workforce to support increased service demand at certain times of the year, e.g. during the festive period and summer Festivals.
- 4.19 The average agency monthly workforce in 2018 was the equivalent of 627 full-time employees. The primary and other contracted suppliers (£20m) accounted for 89% of all agency spend, with 11% (£2.5m) of the total spend attributable to off-contract suppliers.

4.20 The top 5 agency roles (by total spend) provided by the primary supplier (Pertemps) in 2018 are detailed in Figure 9. The top roles supplied by Pertemps relate to the delivery of the Waste and Cleansing service (Place Directorate) and the Customer service (Resources Directorate).

Figure 8: Agency Pay Bill 2016 – 2018

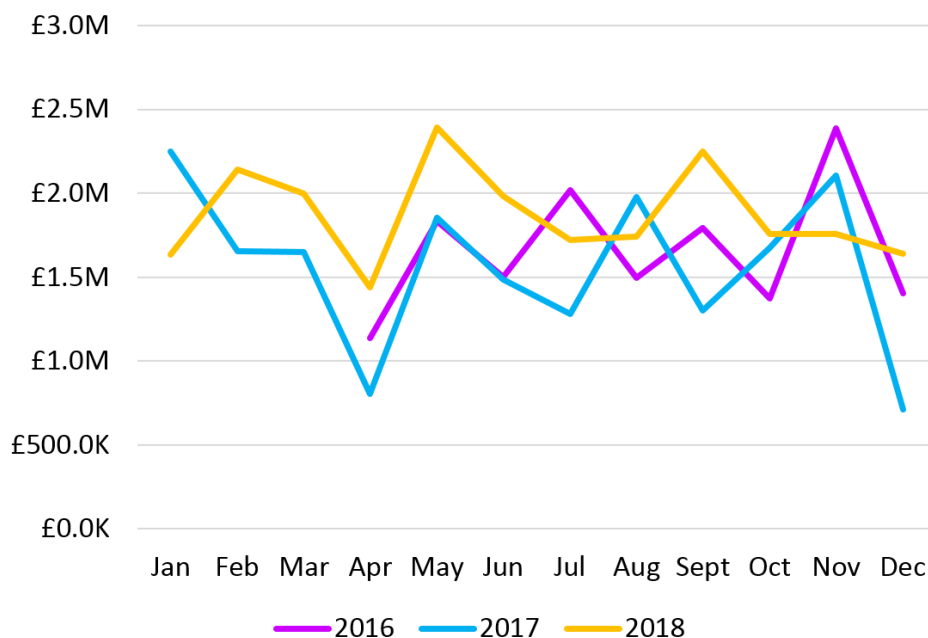
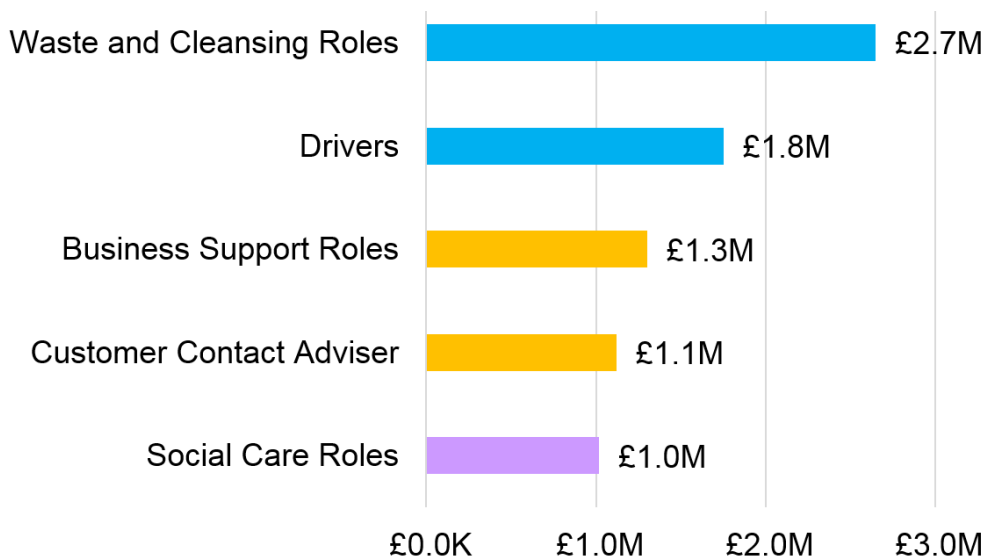


Figure 9: Top 5 Agency Roles 2018 (Primary Contractor)



4.21 The total cost of overtime between January and December 2018 was £9.1m, compared with a spend of £7.6m in 2017 (and 2016). The average overtime monthly workforce in 2018 was the equivalent of 274 full-time employees.

4.22 Overtime cost trends are detailed in Figure 10 which shows similar seasonal variation in 2016, 2017 and 2018, related to the need for additional temporary workforce to provide services at key times during the year. The 2018 month-on-month overtime spend is consistently higher than that observed in 2017 and 2016, reflecting an increasing reliance on the flexible workforce and overtime working. A breakdown of Directorate overtime costs in 2018 is contained in Figure 11 which demonstrates that around 48% of the total overtime spend was in the Place Directorate.

Figure 10: Overtime Pay Bill 2016 – 2018

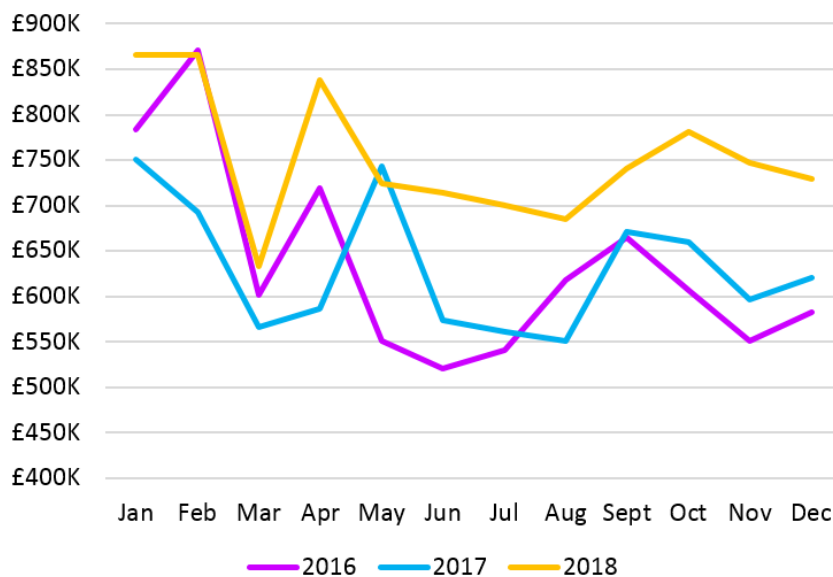
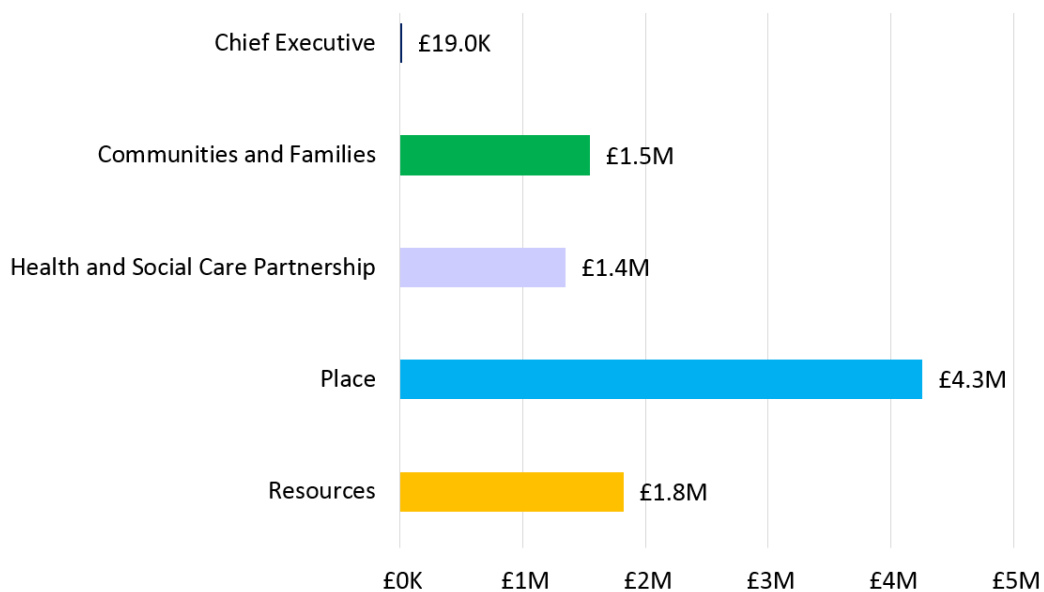


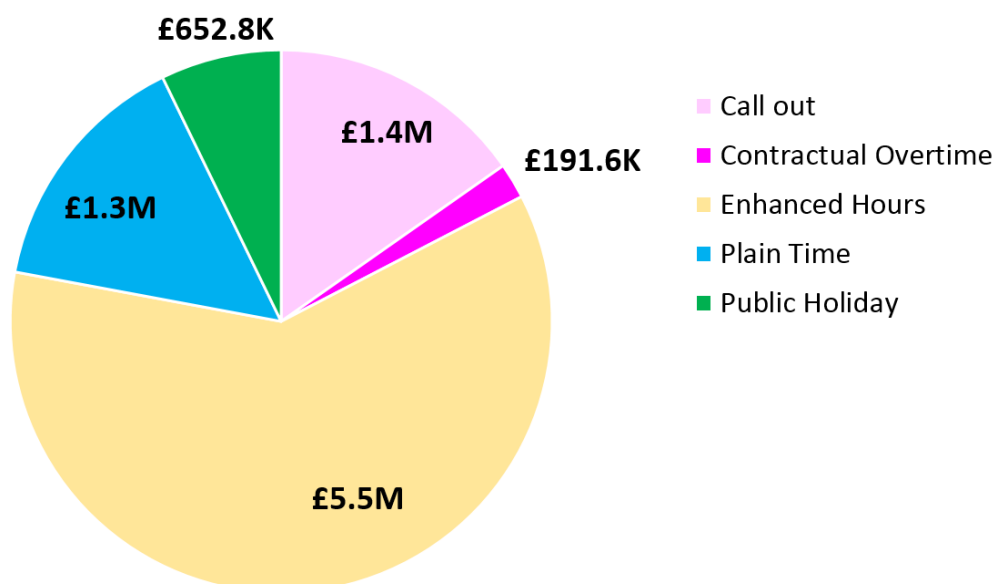
Figure 11: Directorate Overtime Costs 2018



4.23 A breakdown of overtime cost by overtime type for 2018 is detailed in Figure 12. This shows that 61% of the spend was linked to payment of overtime hours worked

at the enhanced rate, 15% related to hours worked at plain time, 15% related to “call-out” overtime hours, 7% of the total cost was linked to public holiday working, and 2% was attributable to contractual overtime.

Figure 12: Breakdown of Overtime Costs by Type 2018



4.24 Effective strategic workforce planning and review is ongoing to establish approaches that allow the organisation to deliver services using the core workforce/establishment, with a reduced dependency on overtime and agency working to achieve the delivery of key services.

12-Month Rolling Absence

4.25 Over the 12-month period the organisation lost a total of 171k working days to absence, the equivalent of 760 FTE, with a notional cost of approx. £22.8m. The rolling absence rate for the 12-month period was 5.37%. This compares with 172k working days lost to absence in 2017 and a rolling absence rate of 5.41% (Figure 13).

Figure 13: Council 12-Month Rolling Absence 2017 and 2018

2017		2018		Change in Rolling Absence Rate	Change in Total Working Days Lost
Rolling Absence Rate	Total Working Days Lost	Rolling Absence Rate	Total Working Days Lost		
5.41%	172.2K	5.37%	171.0K	-0.04%	- 1.19K

- 4.26 Directorate 12-month rolling absence rates and total working days lost to absence in 2017 and 2018 are shown in Figure 14. Reductions in the annual rolling absence rate were observed in the Chief Executive, Place, and Resources Directorates between 2017 and 2018.

Figure 14: Directorate 12-Month Rolling Absence 2017 and 2018

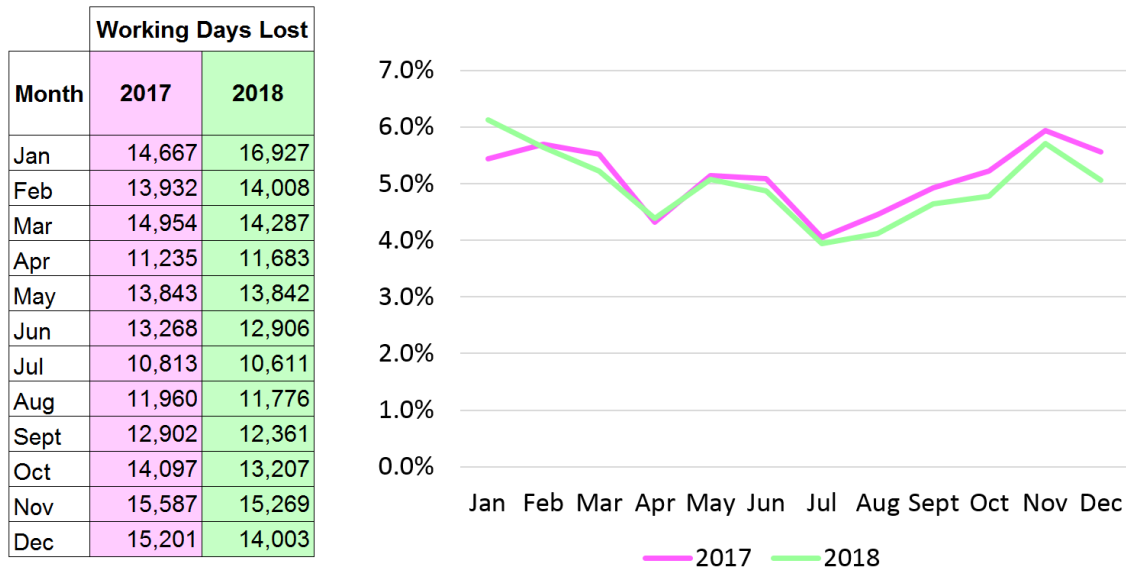
	2017		2018		Change in Rolling Absence Rate	Change in Total Working Days Lost
	Rolling Absence Rate	Total Working Days Lost	Rolling Absence Rate	Total Working Days Lost		
Chief Executive	2.29%	0.79K	1.84%	0.59K	-0.45%	- 0.20K
C&F	3.53%	53.1K	3.86%	63.7K	0.33%	10.61K
EH&SCP	8.84%	44.8K	8.91%	43.4K	0.07%	- 1.42K
Place	6.78%	34.5K	6.35%	33.1K	-0.43%	- 1.39K
Resources	6.09%	30.9K	6.07%	29.5K	-0.02%	- 1.42K

- 4.27 The 12-month rolling absence rate increased by 0.29% (from 3.57% to 3.86%) and the total working days lost to absence increased by 10.61K days in the Communities and Families Directorate, however it should be noted that this is linked to the transfer of the Safer and Stronger Communities service into the Directorate in 2018. At the time of transfer (June 2018) the Directorate rolling absence rate increased from 3.64% to 4.01%.
- 4.28 Despite a small reduction in the total working days lost to absence in the Edinburgh Health and Social Care Directorate, the rolling absence rate increased marginally (up 0.07%), and this is linked to changes in the Directorate FTE during the period.

Monthly Absence

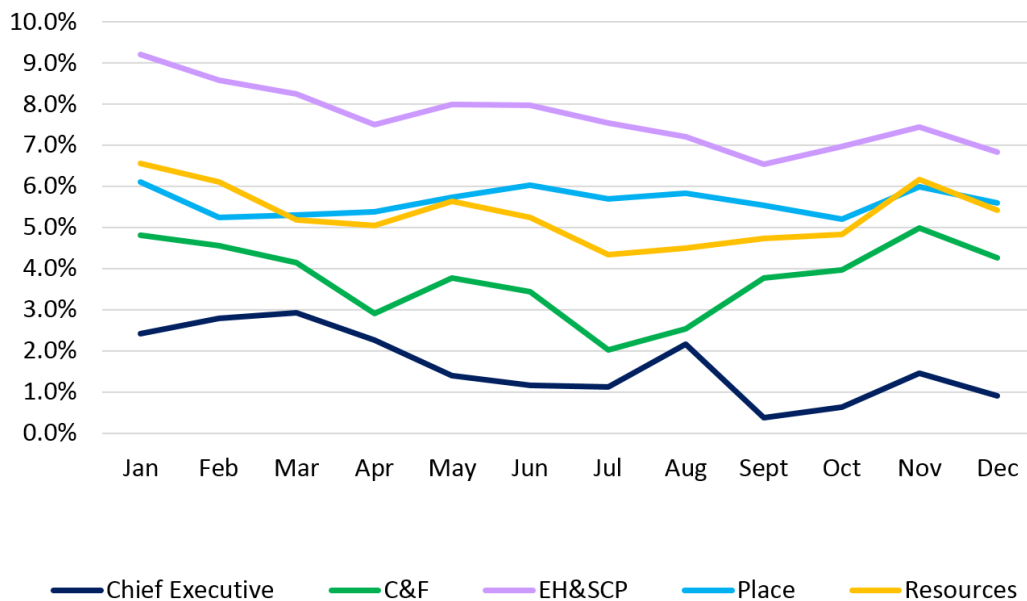
- 4.29 The organisation's monthly absence trend for 2018 is almost identical to that observed in 2017, although the month on month absence rate and total working days lost to absence has been marginally lower in 2018. The normal annual trend was experienced, with a reduction in the absence rate over the summer months (Figure 15).

Figure 15: Council Monthly Absence 2017 and 2018



4.30 Directorate monthly absence rates between January 2018 and December 2018 are detailed in Figure 16.

Figure 16: Directorate Monthly Absence January to December 2018



Absence Reasons

4.31 Around 67.5% of all working days lost to absence related to long-term absence and the remaining 32.5% were linked to short-term absence. The top 5 reasons for absence are shown in Figure 17.

4.32 The top 5 reasons for long term absence were stress, depression, and mental ill-health (35%), musculo-skeletal issues (15%), hospitalisation/convalescence (11%), back and neck problems (8%) and cancer/associated issues (6%).

- 4.33 The top 5 reasons for short-term absence were infections (26%), stomach/liver/digestion issues (16%), stress, depression, and mental ill-health (12%), musculo-skeletal issues (9%) and back and neck problems (6%).
- 4.34 Additional workforce costs for agency and overtime should be considered in the context of current absence levels and the level of permanent workforce FTE impacted by ongoing long-term absence. At December 2018 there were 471 employees (391 FTE) with ongoing long term absence, with 39 employees absent from work for 12 months or longer. A snapshot of Directorate FTE lost in December 2018 to ongoing long term absence cases is highlighted in Figure 18.

Figure 17: Top 5 Absence Reasons 2018 (Long-Term and Short-Term Absence)

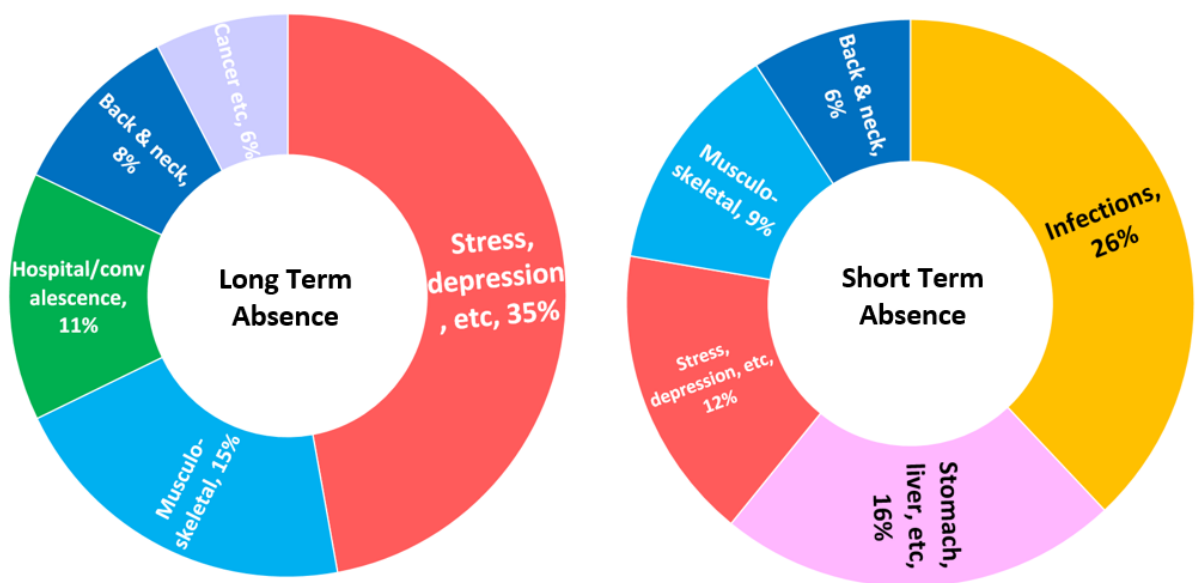
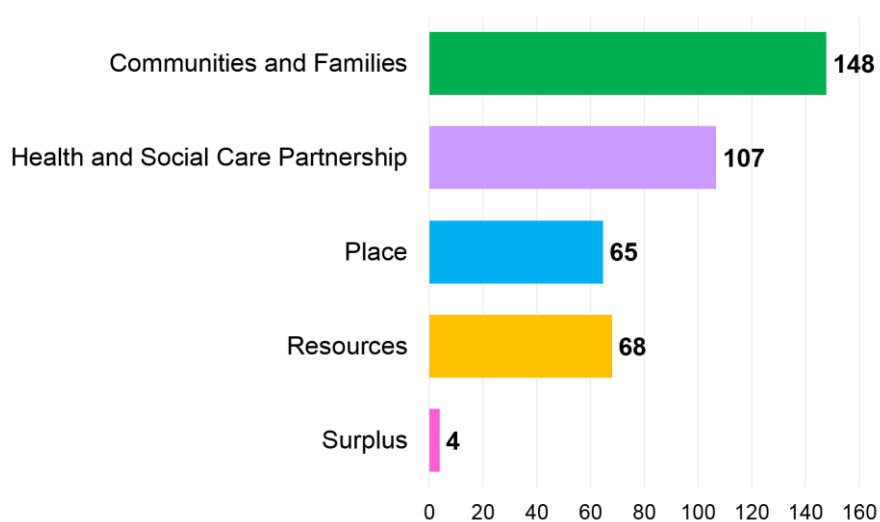


Figure 18: Directorate FTE Lost to Ongoing Long-Term Absence (December 2018)



5. Next Steps

- 5.1 To continue to monitor appropriate workforce data to evidence that the Council is on track to achieve targeted workforce controls and budget savings.
- 5.2 To scrutinise the progress made to date and note the workforce trends over the period January to December 2018; and
- 5.3 To refer this report to Governance, Risk and Best Value Committee as part of its work programme.

6. Financial impact

- 6.1 The achievement of agreed £38.7m savings through voluntary redundancy.
- 6.2 Salary costs for employees on redeployment (particularly those not redeployed).
- 6.3 Opportunity cost of lost working time due to sickness absence.
- 6.4 Agency, Overtime/Additional Hours expenditure.

7. Stakeholder/Community Impact

- 7.1 Stakeholder consultation and engagement, including senior management teams, Trade Unions and elected members, is ongoing.

8. Background reading/external references

- 8.1 Annual Workforce Controls Report report to Finance and Resources Committee on 12 June 2018.

9. Appendices

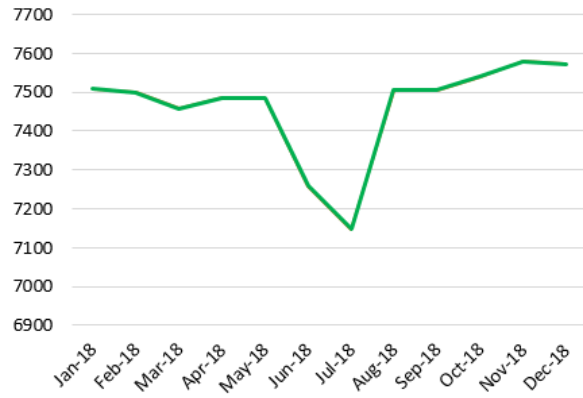
Appendix 1: Directorate FTE Trends 2018

Appendix 2: Directorate Salary Pay Bill Trends 2018

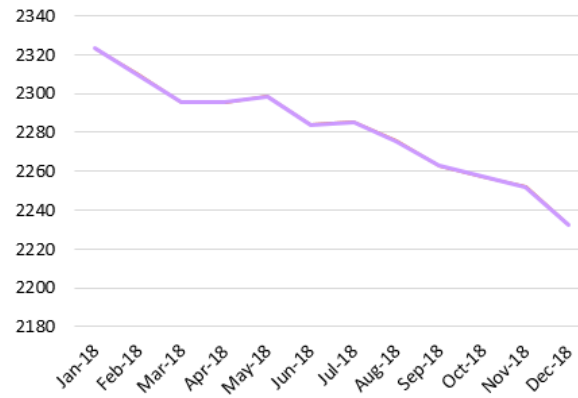
Appendix 3: Local Government Employee FTE and Basic Salary Costs, 2015 - 2018

Appendix 1: Directorate FTE Trends 2018

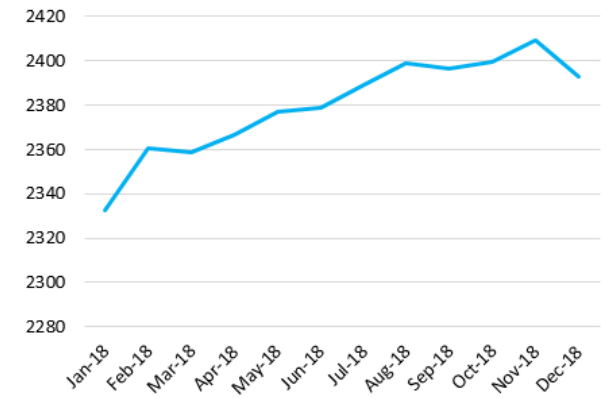
Communities and Families



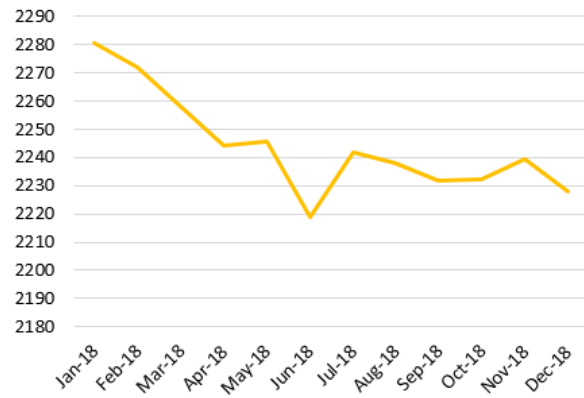
Health and Social Care Partnership



Place



Resources

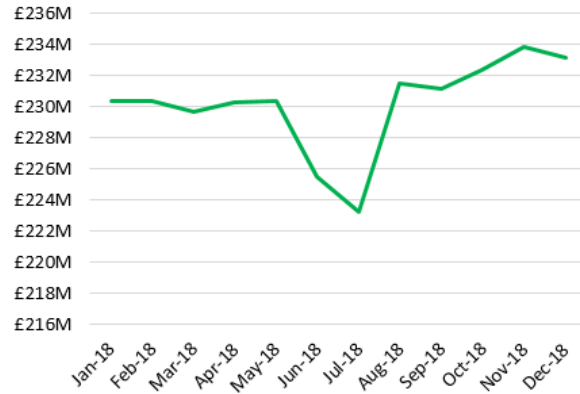


Chief Executive

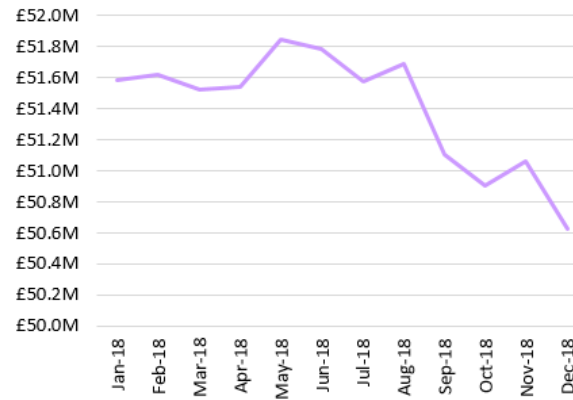


Appendix 2: Directorate Salary Pay Bill Trends 2018

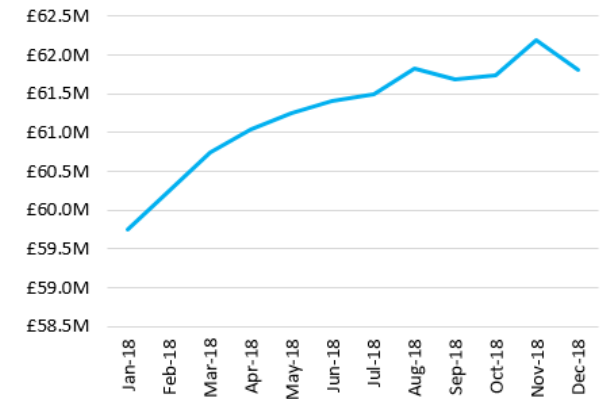
Communities and Families



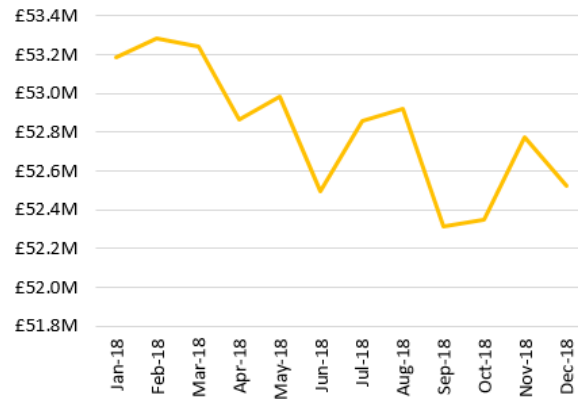
Health and Social Care Partnership



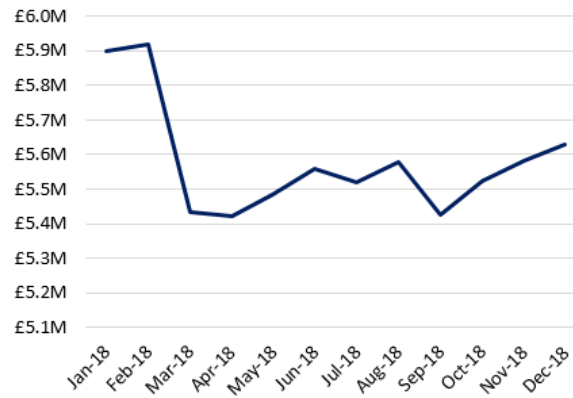
Place



Resources



Chief Executive



Appendix 3: Local Government Employee FTE and Basic Salary Costs, 2015 - 2018

Category/ Group	Grade	June 2015		June 2017		Jan 2018		Dec 2018		Jan 18 to Dec 18	
		FTE	Basic Salary Cost	FTE	Basic Salary Cost	FTE	Basic Pay	FTE	Basic Salary Cost	Change in LGE FTE	Change in LGE Basic Salary Cost
Front Line Staff	GR1	624	£8.1M	638	£8.4M	611	£8.3M	574	£7.8M	-37	-£0.5M
	GR2	244	£3.4M	198	£2.9M	182	£2.7M	171	£2.5M	-11	-£0.2M
	GR3	2374	£38.2M	2124	£34.9M	2166	£36.1M	2005	£33.2M	-162	-£2.8M
	GR4	2479	£45.8M	2567	£48.1M	2509	£47.6M	2580	£49.0M	72	£1.4M
Front Line Manager/ Specialist	GR5	1808	£40.6M	1563	£35.2M	1565	£35.4M	1596	£36.1M	31	£0.7M
	GR6	1421	£37.1M	1337	£35.9M	1402	£37.7M	1432	£38.6M	29	£0.9M
	GR7	1520	£48.0M	1296	£42.1M	1295	£42.2M	1309	£42.6M	15	£0.5M
	GR8	776	£29.2M	652	£25.1M	687	£26.5M	689	£26.5M	2	£0.1M
Managers	GR9	359	£15.9M	280	£12.9M	288	£13.3M	282	£13.0M	-6	-£0.2M
	GR10	118	£6.3M	123	£6.5M	127	£6.8M	118	£6.4M	-9	-£0.4M
	GR11	47	£3.0M	36	£2.3M	36	£2.3M	36	£2.4M	0	£0.0M
	GR12	31	£2.2M	33	£2.4M	35	£2.6M	42	£3.1M	7	£0.5M
Total		11801	£277.8M	10849	£256.8M	10901	£261.4M	10834	£261.2M	-67	-£0.2M

Finance and Resources Committee

10.00am, Thursday 23 May 2019

Workforce Dashboard

Item number	7.4
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

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

Stephen S. Moir

Executive Director of Resources

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Workforce Dashboard

2. Executive Summary

- 2.1 This report provides a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of **February 2018**.

3. Background

- 3.1 The dashboard reporting period is February 2018. Comparison is made to the previous dashboard reporting period, December 2018.

4. Main report

- 4.1 The attached dashboard (Appendix 1) provides workforce information on:
- the number of Full Time Equivalent (FTE) staff employed by the Council, the type of contract they are employed through and the turnover of new starts and leavers;
 - trends on absence rates, including the top five reasons for short and long-term absence;
 - the cost of the pay bill, including the cost associated with new starters and leavers;
 - insight relating to our performance framework (launched April 2017) including the percentage of annual conversations carried out and the number of Conversation Spotlight workshops carried out;
 - the number of VERA/VR leavers and associated cumulative budget savings; and
 - the number of redeployees and associated costs.

Core Workforce

- 4.2 All Figures referred to are contained in Appendix 3.

- 4.3 Our core workforce increased this period by 125 FTE to 14,736 FTE, and the basic salary pay bill increased by £2.7m to £407.8m. Workforce FTE and pay bill trends are shown in **Figures 1 and 2**. The cost of the 17/18 and 18/19 pay awards and 18/19 pay steps will be reflected in April 2019 period pay bill reporting.
- 4.4 **Figure 3** shows the change in Directorate FTE between December 2018 and February 2019. Whilst the FTE decreased in both the Place Directorate (down 79 FTE) and Edinburgh Health and Social Care Partnership Directorate (down 15 FTE), this was masked due to an increased FTE (up 201 FTE) in the Communities and Families Directorate.
- 4.5 **Figure 4** shows the change in FTE for the Local Government Employee (LGE), Teaching, Chief Official and Craft Apprentice groups between December 2018 and February 2019. The LGE group increased by 89 FTE and the Teaching group increased by 36 FTE in the period.
- 4.6 Permanent contracts increased by 61 FTE, Fixed Term Contracts (FTCs) increased by 50 FTE, acting up and secondment arrangements increased by 18 FTE and apprentice/trainee contracts reduced by 4 FTE.
- 4.7 The annual cost of permanent contracts increased by £1.8m and FTCs increased by £1.2m. The cost of acting up and secondment arrangements reduced by £200K and the cost of apprentices/trainees reduced by £71K.
- 4.8 The cost of organisation new starts was £2.1m and the cost of leavers was £1.75m, resulting in a net increase in payroll expenditure of £0.35m.
- 4.9 The spend on Working Time Payments (WTPs) reduced by £7K to £696K.
- 4.10 **Figure 5** shows longer term Local Government Employee workforce change, between June 2015 and February 2019 (i.e. before and after Transformation).

Flexible Workforce

- 4.11 In the period, the costs for the flexible workforce increased by £0.1m and were in the region of £2.9m, with an equivalent FTE of approximately 1,029 FTE (**Figure 6**).
- 4.12 The spend on the agency workforce increased by £21K and cost the organisation £1.7m in the period. Of the total spend, 92% is attributable to the primary and secondary agency suppliers, whilst 8% relates to off-contract spend. The agency workforce last period was the equivalent of 569 FTE, with an average monthly workforce of 635 FTE (12-month average).
- 4.13 The agency cost trend is shown in **Figure 7**. Note that month on month agency cost fluctuation can be linked to the nature of the billing process.
- 4.14 The casual/supply workforce spend decreased by £130K this period, predominantly in the Schools and Lifelong Learning service. The casual/supply workforce last period was the equivalent of 163 FTE, with an average monthly workforce of 184 FTE (12-month average). The casual/supply cost trend is shown in **Figure 8**.
- 4.15 The total cost of overtime this period was £865K, up £140K since the previous period, and reflecting additional public holiday overtime working over the festive period. A breakdown of the spend by overtime “type” is detailed in **Figures 9** and

10. Around 45% of the spend was made at the enhanced overtime rate, 21% was paid at the public holiday rate, 12% was paid at plain time, 6% was contractual overtime, and 16% related to call-out hours. The overtime/additional hours worked last period was the equivalent of 297 FTE, with an average monthly workforce of 276 FTE (12-month average, callout hours excluded from FTE reporting). The overtime cost trend is shown in **Figure 11**.

Surplus Workforce

- 4.16 The total number of employees on the redeployment register remains unchanged since the last period. Of the 28 employees currently surplus; 20 have been temporarily redeployed and 8 are not currently redeployed into a temporary solution but are carrying out meaningful work in their old service area. The funding arrangements for the total surplus FTE is as follows; 16.3 FTE are corporately funded, 6.9 FTE are funded by their service and 2 FTE are funded externally.
- 4.17 Of those corporately funded; 9.2 FTE are currently redeployed and 7.1 FTE are not currently redeployed. 14.3 FTE of the corporately funded FTE have been on the redeployment register for longer than 12 months and 2.0 FTE for a period of 6-12 months.
- 4.18 Employees who are part-funded corporately and by the service, and on-costs for NI and Pension, are included within the figures as appropriate.
- 4.19 As at the end of March 2019, 1,024 FTE have left, or agreed to leave, the organisation under VERA/VR arrangements, achieving recurring savings of £38.9m since September 2015.
- 4.20 Consideration is being given to the sustainability of employees being on the redeployment register for an indefinite period and a review of Council policies in respect of organisational change is underway.

Absence

- 4.21 In the period the monthly absence rate (reflecting days lost to absence in February 2019) increased from 5.06% (December 2018) to 5.41% (see **Figures 12, 13 and 14**). The monthly absence trend for 18/19 is like that observed in 17/18, although the month on month absence rate has been marginally lower in 18/19.
- 4.22 The rolling absence rate for the organisation for the 17/18 year was 5.49%, reflecting 174K working days lost to absence in the period (approx. 775 FTE) (see Figures 15 and 16). Rolling absence MI and data for the 18/19 year will be available in the next reporting period.

Performance Framework

- 4.23 Looking Back performance conversations were due to take place by the end of March 2019 for employees on the standard April to March performance cycle (8,000 employees). The on time completion rate for this group is 55%. This compares with a 45% on time completion rate at last year.
- 4.24 It is recommended that leaders communicate with managers across the relevant services to promote engagement with the performance framework and to

encourage managers to hold and record Looking Back conversations with their employees.

- 4.25 It is recommended that detailed reporting on conversations that have not taken place/not been recorded be issued to Directors once completion rates reach a sufficient level (ie approaching 100%).

Contribution Based Pay

- 4.26 Around 8,000 (40% of GR1-GR12s) local government employees met the required performance criteria to receive a pay step at 1 April 2019, as per our contribution based pay framework. These pay steps represent an increase of around £3.2m to the annual pay bill, and will be reflected in the April 2019 period pay bill reporting.

5. Next Steps

- 5.1 To continue to monitor appropriate workforce data to evidence that the Council is on track to achieve targeted workforce controls and budget savings.

6. Financial impact

- 6.1 The achievement of agreed £38.9m savings through voluntary redundancy.
6.2 Salary costs for employees on redeployment (particularly those not redeployed).
6.3 Opportunity cost of lost working time due to sickness absence.
6.4 Agency, Overtime/Additional Hours expenditure.

7. Stakeholder/Community Impact

- 7.1 Stakeholder consultation and engagement, including senior management teams, Trade Unions and elected members, is ongoing.

8. Background reading/external references

- 8.1 Workforce Control Report and Dashboard to Finance and Resources Committee on 07 March 2019.

9. Appendices

Appendix 1: Finance and Resources Committee Workforce Dashboard

Appendix 2: Finance and Resources Committee Workforce Dashboard Glossary

Appendix 3: Workforce Management Information and Trends

Appendix 1: Finance and Resources Committee Workforce Dashboard

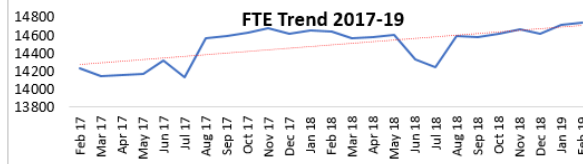
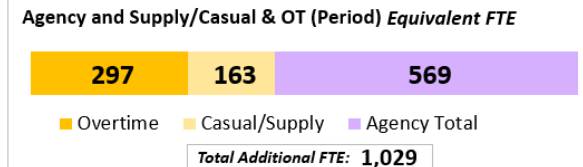
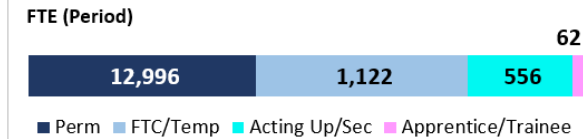
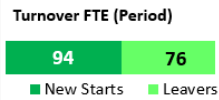
Workforce Dashboard: Finance and Resources Committee

Period: Feb 19 Issued: 08 Apr '19

Workforce FTE

FTE Actual: **14,736**

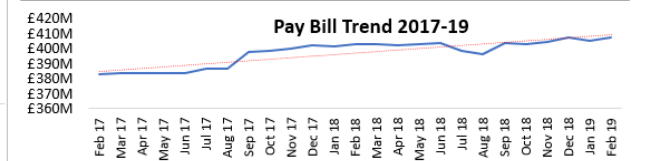
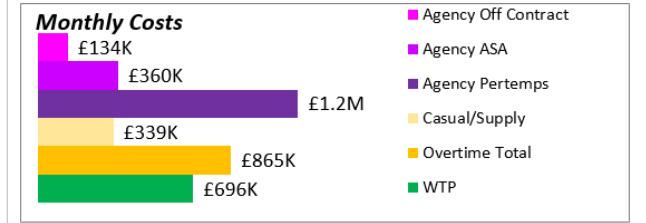
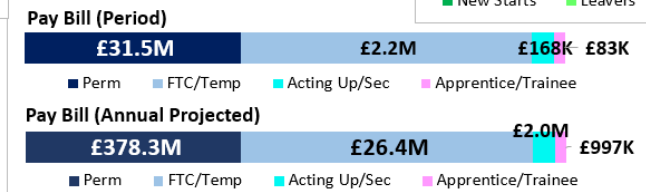
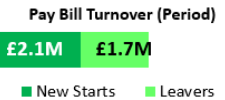
Headcount Actual: **18,386**



Pay Bill

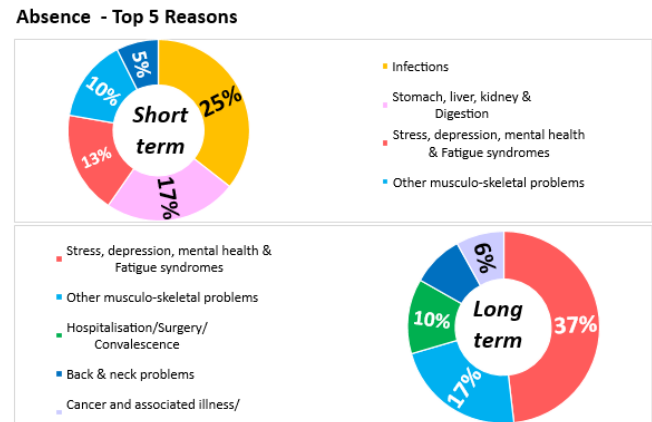
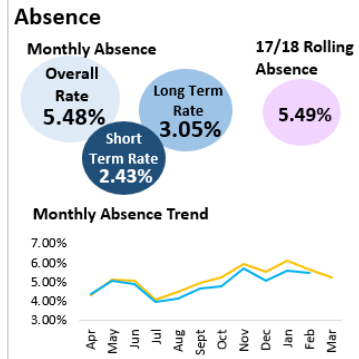
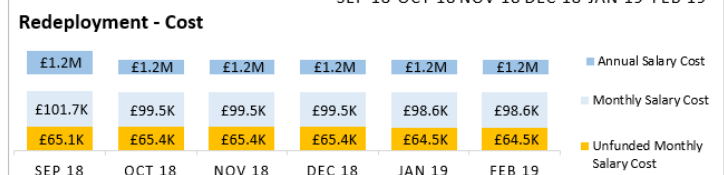
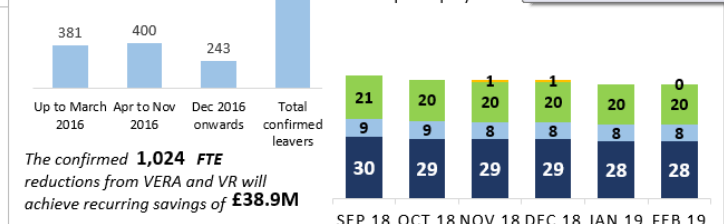
Actual (Period): **£34.0M**

Annual (Projected): **£407.8M**



Transformation

VERA/VR Leaver Reductions (FTE)



Performance

Conversation Spotlight Sessions Held: 151

Looking Back Conversations 18/19: **55% on time completion**

Looking Ahead Conversations 19/20: **Data available next month**

Completion rate for employees on standard April to March cycle

Appendix 2: Corporate Leadership Team Workforce Dashboard Glossary

Workforce Dashboard Glossary: Finance and Resources Committee

<p>Workforce FTE</p> <p>FTE Actual: <i>Sum of FTE for all staff on CEC payroll Cost of total contracts/positions is not reported here</i></p> <p>Headcount Actual: <i>Total number of individual employees on CEC payroll</i></p> <p>FTE (Period) <i>Breakdown of FTE by contract type for all staff on CEC payroll. A snapshot taken on 25th of each month (past 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.</i></p> <p>Additional FTE* (Period) <i>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 £33k 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 Permtemp, 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.</i></p> <p><i>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</i></p> <p>FTE Trend <i>Archive data from previous S&I dashboard process.</i></p> <p>Turnover FTE (Period) <i>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).</i></p>	<p>Pay Bill</p> <p>Actual (Period): <i>Sum of pro-rated basic salary for all staff on CEC payroll</i></p> <p>Annual (Projected): <i>Sum of pro-rated basic salary for all staff on CEC payroll*12</i></p> <p>Pay Bill (Period) <i>Breakdown of basic pay by contract type for all staff on CEC payroll. Same reporting conditions as for FTE.</i></p> <p>Pay Bill (Annual Projected) <i>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.</i></p> <p>Monthly Costs <i>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, weekends, nights, disruption) at the last transaction date.</i></p> <p>Pay Bill Turnover (Period) <i>As FTE. Costings report on the annual basic salaries (pro-rated) for new start and leaver populations.</i></p> <p>Pay Bill Trend <i>Archive data from previous S&I dashboard process.</i></p>	<p>Transformation</p> <p>VERA/VR Leaver Reductions (FTE) <i>Data from Finance</i></p> <p>Redeployment - People <i>Headcount of staff on redeployment register with status surplus, temp redeployed, future dated VERA/VR leaver. Data extracted at 27th of month.</i></p> <p>Redeployment - Cost <i>Figures reflect the gross cost of employees on redeployment register and include on-costs for NI and pensions.</i></p> <p>VR Leavers and Cumulative Budget Savings <i>Data from Finance</i></p>
<p>Absence</p> <p><i>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.</i></p> <p>Trend data - archive data from previous S&I dashboard process.</p>	<p>Performance</p> <p>Looking Ahead Conversations <i>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.</i></p>	<p>Looking Back Conversations <i>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.</i></p> <p>Conversation Spotlight - Data from L&D.</p>

Appendix 3: Workforce Management Information and Trends

Core Workforce: Management Information and Trends

Fig 1. FTE Trend

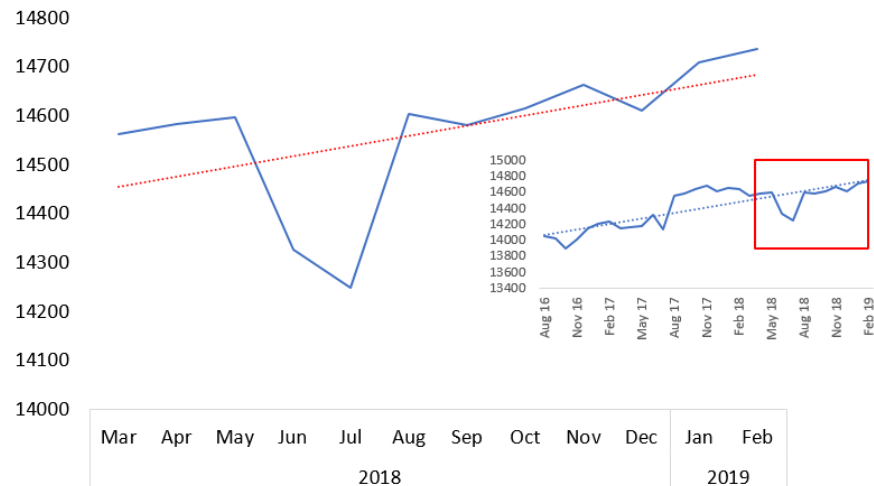


Fig 2. Pay Bill Trend

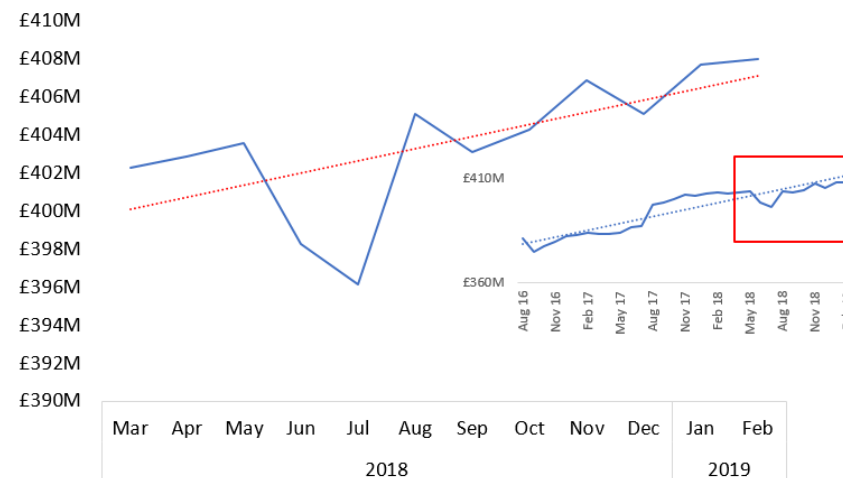


Fig 3 Core Workforce Groups

Category/ Group	Dec 2018		Feb 2019		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Local Government Employee GR1-GR12 including Craft	10834	13478	10923	13590	89	112
Chief Official	18	18	19	19	1	1
Craft Apprentice	21	21	21	21	0	0
Teaching Total	3738	4732	3773	4756	36	24
Council Total	14611	18249	14736	18386	125	137

Fig 4 Core Workforce FTE by Directorate

Directorate	Dec 2018		Feb 2019		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Chief Executive	147	158	150	167	3	9
C&F	7573	9801	7774	10031	201	230
EH&SCP	2233	2554	2217	2556	-15	2
Place	2392	2816	2314	2739	-79	-77
Resources	2228	2879	2247	2856	19	-23
Surplus	38	41	34	37	-4	-4
Council Total	14611	18249	14736	18386	125	137

Appendix 3: Workforce Management Information and Trends (continued)

Core Workforce: Management Information and Trends

Fig 5. Local Government Employee Workforce Change June 2015 to Current Period

Category/ Group	Grade	June 2015		June 2017		June 2018		Feb 2019		June 15 to Feb 19	
		FTE	Basic Salary Cost	FTE	Basic Salary Cost	FTE	Basic Salary Cost	FTE	Basic Salary Cost	Change in LGE FTE	Change in LGE Basic Salary Cost
<i>Front Line Staff</i>	GR1	624	£8.1M	638	£8.4M	595	£8.1M	576	£7.8M	-49	-£0.3M
	GR2	244	£3.4M	198	£2.9M	170	£2.5M	174	£2.6M	-70	-£0.9M
	GR3	2374	£38.2M	2124	£34.9M	2089	£35.1M	2021	£33.4M	-353	-£4.8M
	GR4	2479	£45.8M	2567	£48.1M	2444	£46.8M	2588	£49.0M	109	£3.2M
<i>Front Line Manager/ Specialist</i>	GR5	1808	£40.6M	1563	£35.2M	1545	£35.3M	1621	£36.5M	-187	-£4.1M
	GR6	1421	£37.1M	1337	£35.9M	1397	£38.0M	1452	£39.0M	31	£1.9M
	GR7	1520	£48.0M	1296	£42.1M	1294	£42.4M	1309	£42.5M	-211	-£5.5M
	GR8	776	£29.2M	652	£25.1M	689	£26.7M	698	£26.8M	-79	-£2.4M
<i>Managers</i>	GR9	359	£15.9M	280	£12.9M	281	£13.0M	283	£13.0M	-76	-£2.9M
	GR10	118	£6.3M	123	£6.5M	117	£6.4M	121	£6.5M	3	£0.2M
	GR11	47	£3.0M	36	£2.3M	36	£2.4M	37	£2.4M	-9	-£0.5M
	GR12	31	£2.2M	33	£2.4M	38	£2.8M	44	£3.2M	13	£1.0M
Total		11801	£277.8M	10849	£256.8M	10694	£259.4M	10923	£262.9M	-878	-£14.9M

Appendix 3: Workforce Management Information and Trends (continued)

Flexible Workforce: Management Information and Trends

Fig. 6 Flexible Workforce in Period

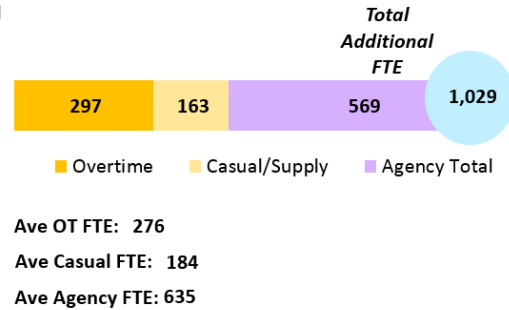


Fig. 7 Agency Trend

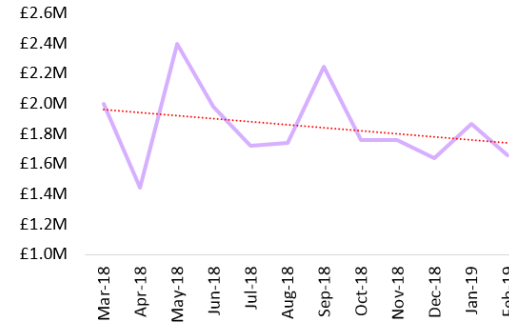


Fig. 8 Casual Trend

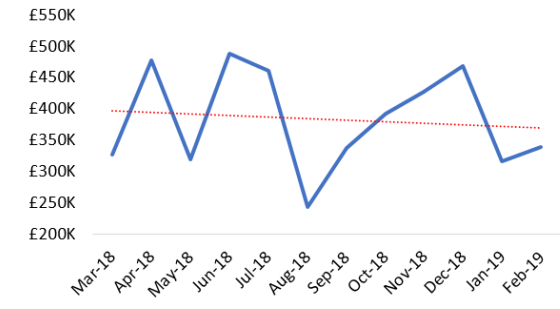


Fig. 9 Overtime by Type in Period

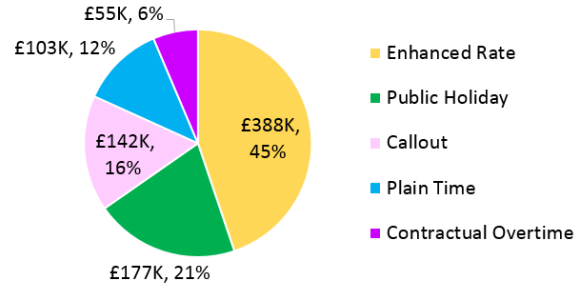


Fig. 10 Overtime by Type in Period - By Directorate

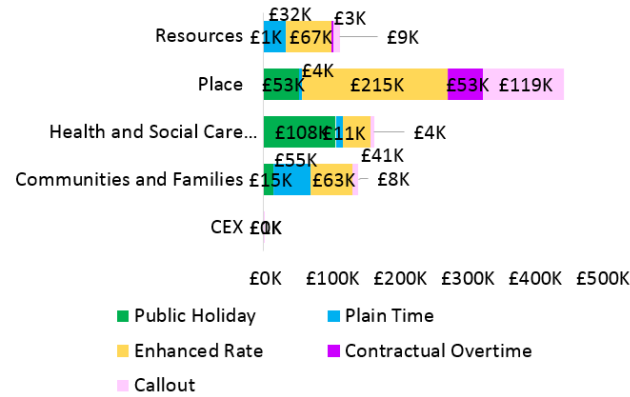
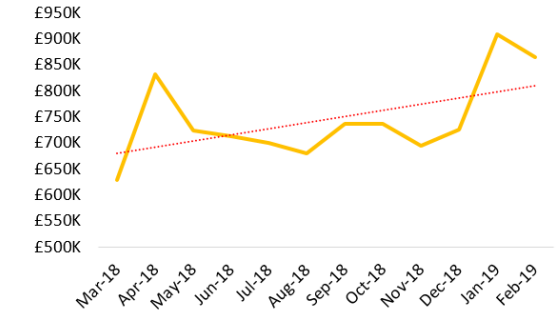


Fig. 11 Overtime Trend



Appendix 3: Workforce Management Information and Trends (continued)

Core Workforce: Management Information and Trends

Fig 12. Monthly Absence Rate

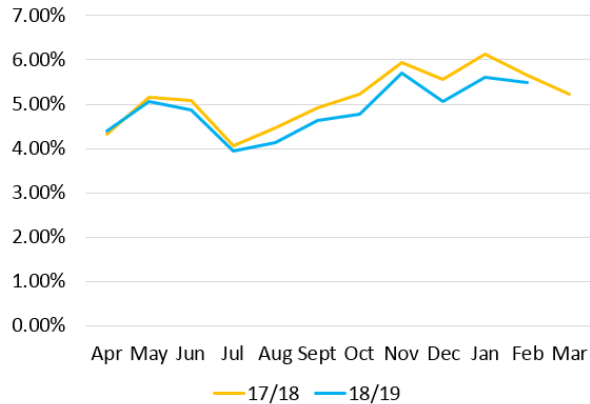


Fig 13. Monthly Days Lost

	17/18	18/19
Apr	11,235	11,683
May	13,843	13,842
Jun	13,268	12,906
Jul	10,813	10,611
Aug	11,960	11,776
Sept	12,902	12,361
Oct	14,097	13,207
Nov	15,587	15,269
Dec	15,201	14,003
Jan	16,927	15,445
Feb	14,008	13,701
Mar	14,287	

Fig 14 Monthly Absence Rate 18/19 - Directorates

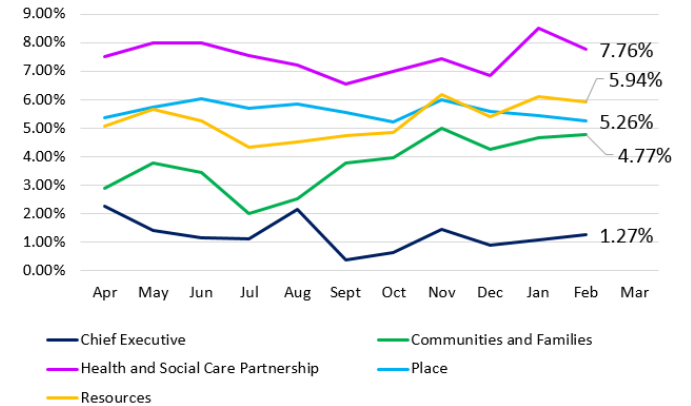
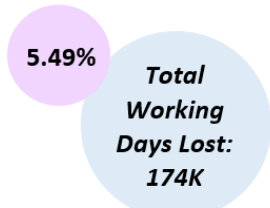


Fig 15. Rolling Absence Rate 17/18



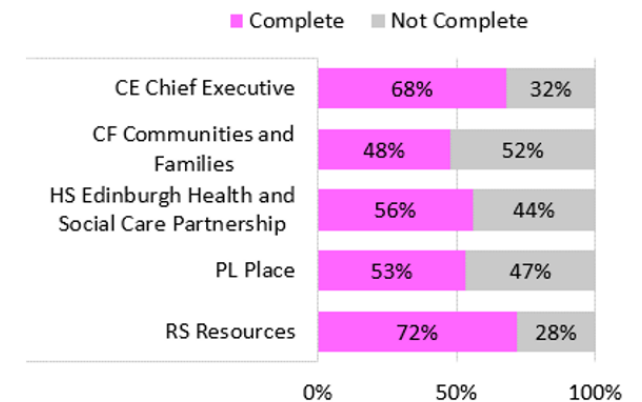
Working days lost to absence between April 17 and March 18

Cost Estimate £23.3m

Fig 16 Rolling Absence 17/18 - Directorates

Directorate	Rate	Days Lost
Chief Executive	2.78%	1K
Communities and Families	3.61%	55K
Health and Social Care Partnership	9.05%	45K
Place	6.47%	33K
Resources	6.38%	31K
Safer and Stronger Communities	7.52%	8K

Fig 17 Looking Back 18/19 Conversations Completed On Time



Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Stress Management Policy

Item number	7.5
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

1.1 To approve the new Stress Management Policy.

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

Stress Management Policy

2. Executive Summary

- 2.1 The Stress Management Policy sets out our approach to providing guidance, tools and support for both employees and managers encouraging a more effective and preventative approach to the management of stress.
- 2.2 The policy will complement and support the organisation's wider Wellbeing Strategy, which was approved at Committee on 7 March 2019.
- 2.3 If approved, the policy will replace the current Managing Stress Policy which was approved at Committee on 24 March 2014.

3. Background

- 3.1 The current policy and supporting materials, whilst compliant, require a refresh in line with our approach to policy development, making it clearer for colleagues and placing greater emphasis on prevention.
- 3.2 This new policy and supporting materials have been revised to support colleagues in the prevention and management of stress and continues to be compliant with the Health and Safety Executive guidelines. It also includes best practice from organisations such as ACAS and the NHS.
- 3.3 The revision of this policy forms part of our wider wellbeing strategy agreed at committee in March 2019.

4. Main report

- 4.1 The Stress Management Policy has been developed in line with guidance from ACAS and continues to observe the principles outlined in the relevant Health and Safety executive (HSE) guidance. These include: awareness of both the causes and signs of stress, the risks associated with stress and the six management standards that the HSE categorise as a successful management approach.

- 4.2 The HSE also strongly encourages employers to promote wellbeing and to introduce measures to prevent, reduce and supportively manage stress in the workplace. This approach has been integrated into both the policy and guidance.
- 4.3 The policy reinforces the responsibility of managers to support colleagues who are experiencing stress, and to ensure that these issues are handled sympathetically and in confidence.
- 4.4 The policy also strongly encourages employees to be proactive by seeking and acting upon opportunities to manage their own wellbeing, and signposts external agencies and channels of support as appropriate.
- 4.5 The previous policy and guidance provided templates and guidance for the completion of both Individual and Team Stress Risk Assessments. These remain, although the team assessment has been updated to include a Likert scale to capture responses. This will better indicate the levels of stress that exist in a team and allow the Manager to identify the most severe stressors and the associated risks.
- 4.6 The policy sets out a commitment to provide support and raise awareness of the signs of stress, with a view to highlighting the importance of reducing unnecessary levels of work related pressures that can contribute to stress.
- 4.7 The policy is intended to promote a culture of a more preventative approach to managing stress, breaking down stigmas and encouraging open and honest conversations.
- 4.8 The policy and guidance has been developed in line with the Council's current style, tone and format. This will provide colleagues with a less complex policy and more accessible set of tools that provide clarity on how to effectively prevent and manage stress.

5. Next Steps

- 5.1 If approved, the implementation plan will be put into effect, commencing with the design of training modules and materials both for employees and members of Management.
- 5.2 It is expected that all necessary implementation steps will be able to be completed by June 2019 at which point the new policy will become effective.

6. Financial impact

- 6.1 There is no material impact resulting from this policy.

7. Stakeholder/Community Impact

- 7.1 The policy applies to all employees and is explicit in the consistency of its application.
- 7.2 Trade Unions and key stakeholders have been consulted in the development of this policy.
- 7.3 If approved, the policy will be a local collective agreement between the Council and the recognised trade unions.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Stress Management Policy

Stress Management Policy

It is the aspiration of the council to create a culture which recognises the importance of all our colleague's general wellbeing. As part of this we are committed in our support and our focus on recognising and acknowledging the signs of stress. We take a proactive and preventative approach, raising awareness of the signs of stress and highlighting the importance of reducing unnecessary levels of work related pressures which can result in stress. It is our collective responsibility to talk openly and honestly about how we are feeling so that early signs can be identified and mitigated against, with a commitment from the council to offer the right support where appropriate.

Author

Employee Relations, Human Resources,
Resources Directorate

Scope

This policy applies to all Council employees.

Purpose

The purpose of this policy is to raise awareness and understanding of stress, and to set out how to try to prevent, reduce and supportively manage stress.

Review

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

Stress Management Policy	1
1. Policy Aims.....	2
2. What is stress?.....	2
3. Identifying signs of stress.....	2
4. Employee Responsibilities	3
5. Managers Responsibilities	3
6. Managing work related stress & Stress Risk Assessments.....	4

1. Policy Aims

- To promote wellbeing through proactive and supportive management of work related stress.
- To increase the general awareness and understanding of the causes of work related stress.
- To encourage colleagues to take responsibility for their own health and wellbeing and to engage with the support that is available.
- To address work related factors which might contribute to excessive undue pressure at work, which may have led or lead to stress related illness.
- To promote a culture and environment where stress is mitigated as far as possible, it's acknowledged without stigma and colleagues feel comfortable in talking about the support they need.

2. What is stress?

The Health and Safety Executive (HSE) defines stress as: *'The adverse reaction people have to excessive pressures or other types of demand placed on them.'* While some degree of pressure and demand is to be expected in the workplace to ensure the efficient running and productivity of any business, there are factors that can lead to employees feeling excessive pressure – and if not properly managed, these can lead to increased sickness, anxiety, depression or other mental ill-health.

The HSE also emphasises that it is important not to medicalise stress, as stress is a state, not an illness; however, if mismanaged it can lead to the development of mental and physical illnesses. They also acknowledge the difference between pressure and stress. Pressure can be positive and a motivating factor and is often essential in a job. It can help us achieve our goals and perform better. Stress occurs when this pressure becomes excessive. Stress is a natural reaction to too much pressure but is never positive.

Stress both inside and outside work can affect our wellbeing. We can experience excessive pressure and demands outside work, which can also contribute to how we are at work. Stress tends to build up over time because of a combination of factors that may not all be work related. Conflicting demands at work and home can lead to excessive stress. Often home and work lives are so interwoven that it may not be possible to identify any single cause of stress. Our employee assistance programme is a free and confidential service available for all colleagues and is there to provide support regardless of the causes of stress. You are actively encouraged to take advantage of the support that is available for you whenever you need it.

3. Identifying signs of stress

Signs and Symptoms of Stress

It's important to pay attention to yourself and your colleagues, so if you notice signs that a person maybe feeling stressed you can provide or seek appropriate support. Please see supporting guidance relating to this policy for the most up to date information on identifying signs and symptoms of stress.

4. Employee Responsibilities

There are inevitably times in our lives where excessive pressure may lead to stress. It is important that you are aware of the signs and symptoms so that you can actively engage with the right support for you.

- You are encouraged to discuss any concerns, issues or support you need with your manager or a colleague. If you are a member of a Trade Union you can also speak to your TU representative. Any concerns you raise will be handled in a supportive and sympathetic way;
- If you feel able to, it is important for you to speak to your manager or a colleague if you feel stressed, regardless as to whether that stress has been caused from situations at work or home;
- You should discuss issues or concerns you have with your line manager or trade union to proactively mitigate unnecessary stress;
- Cooperate with referrals to occupational health and participate in counselling when recommended by a health professional;
- You are encouraged to investigate health and wellbeing opportunities and look after your physical and mental health;
- Recognise the importance of taking your annual leave which can support your overall wellbeing;
- When appropriate, make use of the free confidential services available to you from the employee assistance programme, provided by the Council;
- Remember you can also seek support from your GP;

5. Manager Responsibilities

Your role is pivotal in identifying and managing excessive pressures at work. You have knowledge of your team and their usual working styles. This insight can allow you to identify uncharacteristic behaviour that could be an early warning sign of a potential issue. In order to manage any potential issues effectively you need to be supportive and sympathetic to ensure employees feel comfortable to speak openly.

A manager can put in place a number of steps that can be used to alleviate pressures and promote a healthy workplace. These preventative measures will support our aim to mitigate unnecessary levels of stress:

- Provide clarity of what's expected in the role and how it should be done, with supporting feedback, coaching and development as required;
- Regular communication ensuring colleagues are informed and engaged;
- Active work force planning to ensure the right resources are in the right place at the right time doing the right thing, in a planned and balanced way;
- Promote and encourage team members to access health and wellbeing initiatives;
- Empower team members to be able to influence where, when and how work is done to sufficiently feel in control of their workload within the remit of the role;
- Fully utilise skills and make time to listen, support and involve in decisions where possible;
- Consider any adjustments made in occupational health reports and discuss these with employees;
- Conduct appropriate level of stress risk assessments and work to implement recommendations;
- Ensure you create a safe space to have a discussion around any stressors;
- Confidentiality must be respected and maintained and personal circumstances are not discussed with others without consent, unless in exceptional circumstances where this level of confidentiality cannot be guaranteed if there are health and safety concerns for fellow colleagues or clients of the council.

Senior managers are also responsible for;

- Ensure line managers are adequately trained, resourced, and personally supported to meet expectations of this policy;
- Conduct appropriate level of stress risk assessments and work to implement recommendations;
- Ensure all colleagues are sufficiently trained to carry out their role and open and honest conversations take place about performance and any additional improvements required;
- Actively promote zero tolerance of bullying and harassment;
- Proactively manage annual leave to ensure both sufficient cover and equally that colleagues do not have excessive periods without leave;
- Be cognisant of pressure outside work, e.g. bereavement, financial, divorce or separation, serious illness and offer additional appropriate levels of support;
- Routinely monitor workload and working time to ensure a fair distribution and balance with appropriate downtime;

6. Managing work related stress & Stress Risk Assessments

Management Standards

The management standards have been developed by the Health and Safety Executive (HSE) to help reduce the levels of work-related stress. The standards are: **Demands, Control, Support, Relationships, Role, and Change.**

The standards and supporting risk assessments can be found in the Stress Management supporting documentation and guidance which include sign, symptoms, and wellbeing initiatives.

This policy should be followed in accordance with management responsibilities outlined in this policy.

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Diversity and Inclusion Strategy and Plan – Progress Report

Item number	7.6
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

- 1.1 To note the attached draft Diversity and Inclusion Strategy;
- 1.2 To note the initial 'building blocks' that have been identified as priority areas to implement the strategy; and
- 1.3 To agree that the final strategy and supporting action plan based on the 'building blocks' is brought back to this committee in September 2019 for formal approval.

Stephen S. Moir

Executive Director of Resources

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Diversity and Inclusion Strategy and Plan – Progress Report

2. Executive Summary

- 2.1 At its meeting of 4 December 2018 the Finance and Resources Committee agreed that a draft Diversity and Inclusion Strategy would be brought back for consideration and approval.
- 2.2 This report introduces a draft council-wide Diversity and Inclusion Strategy, identifies key strategic themes to focus on as a priority and sets out next steps to be taken in the development of a detailed action plan to support the strategy.

3. Background

- 3.1 The Council is required, as part of its Public Sector Equality Duty arising from the Equality Act 2010, to:
 - eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share a protected characteristic
 - foster good relations between people who share a protected characteristic and those who do not
- 3.2 The Council Change Strategy, agreed in September 2018, is based on three key strategic objectives:
 - investment is targeted on prevention and early intervention to reduce long-term reliance on our services and allow citizens to lead active, independent lives
 - that the growth of this city is sustainable and inclusive
 - we continue to deliver basic services to the high quality our citizens expect and deserve
- 3.3 Our People Strategy 2017-2020 commits us to the following aspirations:
 - attract, recruit and retain a diverse workforce

- maximise the potential for all our colleagues
- ensure all our people feel engaged and valued
- ensure all our people have a voice and are listened to

3.4 The purpose of the emerging Diversity and Inclusion Strategy is to set out our aspiration as a Council to develop a workplace culture that promotes and supports equality, diversity and inclusion and which enables our people to be their best, authentic selves in the workplace, valued and respected for their contribution.

3.5 The emerging Strategy highlights our approach to engagement which is both collaborative and consultative, enabling us to remain responsive to changing priorities as they emerge.

3.6 The emerging Strategy provides the framework within which a more detailed Diversity and Inclusion Action Plan will be developed to identify intended outcomes and key deliverables with clear timescales.

4. Main report

4.1 Developing a diverse workforce and inclusive working environment can deliver tangible results including:

- Improved organisational reputation and employer brand;
- Greater capability to attract, recruit and retain the best talent;
- Increased innovation and creativity;
- Improved performance, profitability and productivity;
- Enhanced ability to respond to changing demographics and citizen needs.

4.2 The draft Strategy has three strategic themes:

- **Developing our understanding** of how our profile reflects the wider community
- **Building an inclusive culture** where each individual feels valued, included and able to be themselves
- **Attracting and retaining a diverse workforce** through our approach to talent and resourcing

4.3 These themes will enable us to clearly articulate immediate priorities also to integrate, monitor and review progress across other related workstreams, for example in our approach to attraction, resourcing and talent management.

4.4 A focus group comprising representatives of employee networks, trade union equalities colleagues, elected members and HR was set up to help develop the strategy. Feedback from the group has been positive in respect of the direction of

travel and broad aims of the strategy. From initial discussion the group has identified the following potential 'building blocks' that require to be in place to fully implement the strategic themes:

- Self-reporting campaign;
- Employee Network capacity building;
- Annual plan – key dates;
- Awareness raising sessions;
- Positively engaging “harder to reach” colleagues.

- 4.5 Each of these building blocks and the strategy itself will be underpinned by an extensive communication and engagement plan to raise awareness and increase visibility around our diversity and inclusion ambitions.
- 4.6 A detailed action plan will be developed in consultation with the focus group and external partners which sits beneath each of the key building blocks.

5. Next Steps

- 5.1 A detailed action plan based on the strategic themes and priorities emerging from the focus group will be developed
- 5.2 Ongoing engagement with trade unions, employee networks, special interest groups and external partners will help to shape the action plan as additional data becomes available.

6. Financial impact

- 6.1 There is no financial impact for the Council.

7. Stakeholder/Community Impact

- 7.1 An Integrated Impact Assessment is required and will be brought forward with the strategy and action plan.

8. Background reading/external references

- 8.1 Finance and Resources committee report, [Disability Employment Gap - motion update](#) approved on 4 December 2018.

9. Appendices

9.1 Draft Diversity and Inclusion Strategy.

Diversity and Inclusion Strategy

Creating a working environment where our people can be at their best



Driving our culture

aligning D&I to our strategic objectives and cultural ambitions

Change Strategy

Delivering high quality services

Prevention and early intervention

Inclusive and sustainable growth

We are passionate about Edinburgh

We believe everyone matters

We build for the future

Cultural Ambition

- We'll build an inclusive culture where all our people feel valued, included and able to be their best, authentic selves at work
- We'll work hard to attract and retain a diverse workforce that reflects, and can respond to, the diverse needs of the citizens of Edinburgh
- We'll ensure that all our people have equal opportunity to learn, develop and achieve their full potential
- We are known for demonstrating these values

D&I Strategic Themes

Developing our understanding

Building an inclusive culture

Attracting and retaining a diverse workforce

Diverse teams
outperform
homogenous
teams

An inclusive
environment
increases
employee
engagement

Cultural and
experiential
diversity =
more creativity
and innovation

Enhanced
reputation and
more desirable
employer
brand

**The business case.....not just
the right thing to do.....**



Legislative Context

- Equality Act 2010 'Specific Duties (Scotland) Regulations 2012'
- Fairer Scotland Duty (2018)
- City of Edinburgh Council Equality, Diversity and Rights Framework 2017-2021
- City of Edinburgh Council Change Strategy 2019-2023
- Equal Pay Act (2010)
- Gender Pay Gap

Strategic Themes

Developing our understanding

Building an inclusive culture

Attracting and retaining a diverse workforce

Developing our understanding of how our profile reflects the wider community

- engage with our people to understand their challenges, priorities and potential solutions, and gain insight into poor self-reporting rates for equalities data
- work with COSLA to review and update our diversity categories
- undertake an extensive campaign to raise awareness around the importance of gathering, and reporting on, equalities data
- significantly improve self-reporting rates
- analyse what the improved data tells us beneath the headlines and use this information to define the outcomes we are seeking

Building an inclusive culture

where each individual feels valued, included and able to be themselves

- send clear and highly visible messages that difference is celebrated and respected here
- raise awareness of protected characteristics and the exponential impact of intersectionality
- support colleagues to influence positive change through employee networks
- demonstrate high level sponsorship and commitment to cultural change
- encourage leaders at all levels to operate as positive role models
- offer learning opportunities to support cultural change
- raise awareness of the range of support available to employees

pregnancy &
maternity

religion

age

marriage &
civil
partnership

sex

sexual
orientation

race

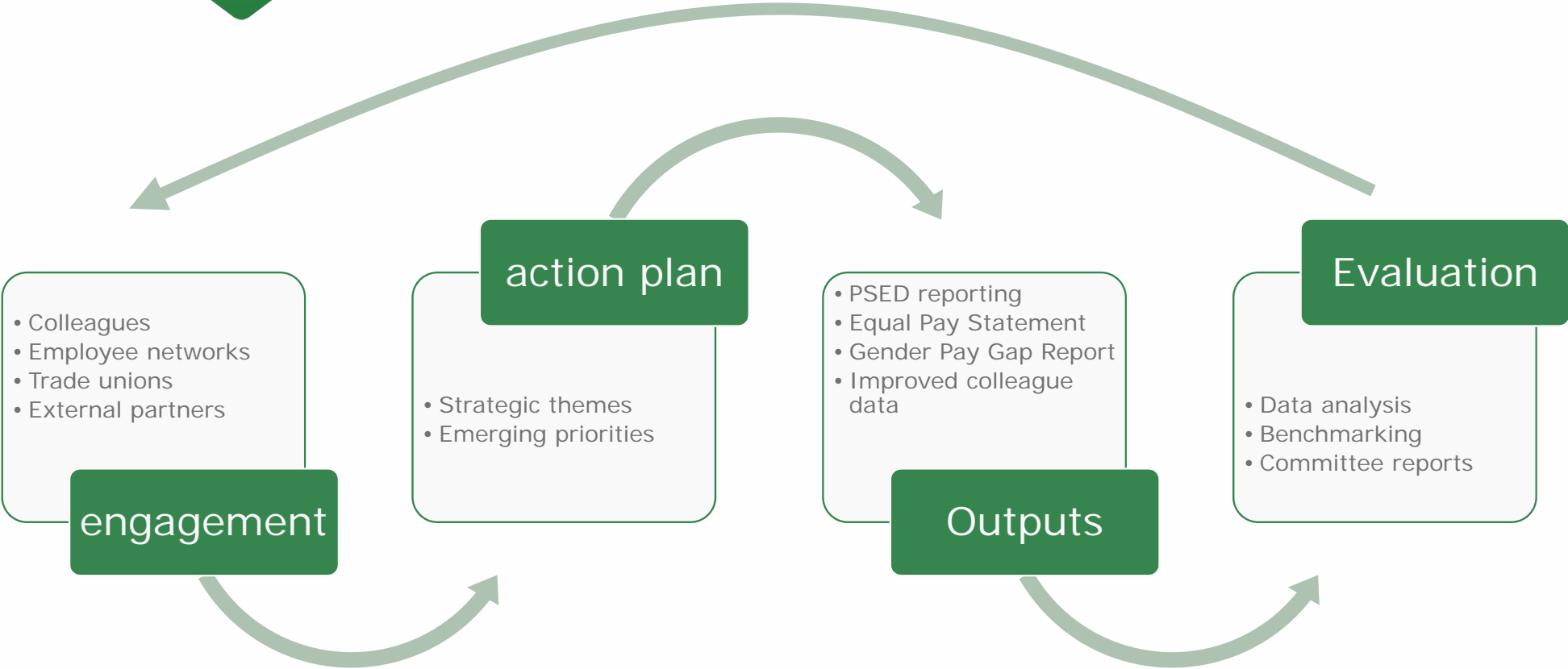
gender
reassignment

disability

Attracting and retaining a diverse workforce through our approach to talent and resourcing

- build our employer brand as one who welcomes diversity and supports inclusion
- attract and retain a workforce that represents the diversity of the city
- use tools at our disposal to reduce unconscious bias during recruitment
- use our talent management programme to promote career development opportunities for colleagues who share protected characteristics
- support flexible and agile deployment of under-represented groups to enable professional development opportunities with a view to increasing their representation across senior roles
- work towards becoming a Disability Confident Leader
- hold our agencies to account for their commitment to diversity and inclusion
- follow through on our commitments to tackle the gender pay gap as set out in our Gender Pay Gap Report (October 2018)

Ongoing engagement to inform priorities



Focus group – emerging themes



Potential Building Blocks

- Self-reporting campaign
- Employee Network capacity building
- Annual plan – key dates
- Awareness raising sessions
- Targeting hard to reach colleagues

Underpinning extensive communication and engagement plan to increase visibility

Consultation Timeline to F&R

Engagement Forum	Date
HRLT	29/03/19
Trade Union engagement (<i>EIS / GMB / Unison / Unite</i>)	30/03/19
1 st Focus Group (<i>to include TU reps, Elected members, equalities officers, HR, staff networks</i>)	02/04/19
CLT	17/04/19
2 nd Focus Group (<i>as above</i>) Trade Union engagement	17/04/19 - 02/05/19
Finance and Resources APM	09/05/19
Political briefings (x6)	09/05/19 – 15/05/19
Finance and Resources Committee	23/05/19

Finance and Resources Committee

10am, Thursday, 23 May 2019

Revenue budget framework 2019/24 – progress update

Executive/routine Wards Council Commitments	Routine
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1. Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
- 1.1.1 note the significant progress made in developing savings implementation plans for those measures approved as part of the 2019/20 revenue budget;
 - 1.1.2 note the specific actions set out in Appendices 2 and 3 as a contribution towards delivering the Council-wide efficiencies target and managing service pressures;
 - 1.1.3 note that release of the £2.5m Council Priorities Fund (CPF) contribution approved as part of the Council's 2019/20 budget remains subject to sustained performance improvement and the bringing forward of a balanced budget by the EIJB including this contribution;
 - 1.1.4 agree, subject to both confirmation of the provisional 2018/19 outturn and ratification by Council on 30 May, earmarking up to £5m from the Council Priorities Fund as an additional contribution to the 2019/20 budget, pending development of sustainable measures to address this savings requirement on a recurring basis;
 - 1.1.5 note, nonetheless, that further measures are urgently required to achieve financial balance in 2019/20 and, to this end, instruct Executive Directors to develop proposals of sufficient value to address the remaining overall estimated shortfall, including ceasing all discretionary expenditure;
 - 1.1.6 note the options considered in other local authorities as set out in Appendix 5 but further note that specific proposals, taking into account the 2018/19 outturn and updates concerning a number of other relevant factors included within the budget framework, will be brought forward as part of the first quarter's monitoring report to the Committee on 15 August 2019;

- 1.1.7 approve the changes to building fees for site inspections and completion of work certificates as set out in Appendix 7 with effect from 1 July 2019 for onward ratification by Council on 30 May; and
- 1.1.8 approve use of Spend to Save funding of £0.153m to take forward the 3G pitch improvements at Leith Academy, subject to onward ratification by Council on 30 May.

Andrew Kerr

Chief Executive

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Revenue budget framework 2019/24 – progress update

2. Executive Summary

- 2.1 Since approval of the Council's revenue budget on 21 February 2019, work has continued to develop savings implementation plans and identify potential measures to address the residual service pressures set out in the report to the Committee's previous meeting on 7 March. While substantial progress has been made in each of these areas, a significant in-year gap remains, corresponding actions for which require to be urgently identified. Failure to deliver on-going measures will result in an increase in future years' revenue funding gaps, use of the Council's unallocated reserves and a consequent need to replenish them at least to their previous level.

3. Background

- 3.1 At its meeting on 7 March 2019, members of the Committee considered an update on the Council's revenue budget framework. The report highlighted the overriding importance of both (i) developing robust savings implementation plans and (ii) managing significant pressures in 2019/20 to sustain the wider integrity of the budget framework. The report noted that residual unmitigated service pressures in 2019/20 amounted to some £8.8m, along with a need to identify and secure approval from the Edinburgh Integration Joint Board (EIJB) of savings sufficient to align its spending plans to the assumed levels of provision for Council-delegated services.
- 3.2 In view of this overall position and the trend of decreasing actual savings delivery apparent in recent years, Committee members asked that, as part of the approved motion, the report to be brought back to this meeting include, in addition to an update on the areas mentioned above, further potential savings or income-generating measures in 2019/20 in order that these could be applied, as necessary, where slippage or change in planned actions required alternatives.

4. Main report

- 4.1 On 21 February 2019, Council approved a balanced one-year budget for 2019/20 as part of a longer-term framework. Taking account of approved service investment and sums transferred to the Council Priorities Fund, the budget is underpinned by the delivery of savings totalling some £39.3m, including £2.3m approved for implementation in 2019/20 as part of previous years' budget processes.

- 4.2 In view of the challenging context within which the Council's budget was necessarily set, the update report considered on 7 March signalled a need for action across four main areas, updates on which are provided in the remaining sections of this report:
- (i) Development of robust implementation plans for the specific savings actions totalling £29.2m¹ which were approved for delivery in 2019/20;
 - (ii) Development of detailed and specific proposals to address the £9.5m efficiency savings target which was also approved as part of the 2019/20 budget;
 - (iii) Identification of mitigating actions to address estimated combined residual pressures of £8.8m across the Communities and Families, Place and Resources Directorates; and
 - (iv) Agreement, through the EIJB, of specific plans to address its estimated budget gap in 2019/20.
- 4.3 Addressing each of the above areas in full is required to allow the Council to plan, with reasonable confidence, to maintain expenditure within approved levels in 2019/20. In acknowledging that there is a degree of delivery risk for each aspect, however, elected members, the Chief Executive and Executive Directors, including the Chief Officer of the Edinburgh Health and Social Care Partnership, will need to consider a range of measures to bring the current year's position back into balance, with this specific aspect considered later in this report.
- 4.4 While placing an increased emphasis upon preventative activity should over time offset, or at least mitigate, some of the continuing demand-led pressures upon the Council's services, as noted in the Accounts Commission report included elsewhere on today's agenda, further difficult choices will be required in both this and subsequent years to secure financial sustainability.

Development of savings implementation plans – specific savings

- 4.5 Progress in developing implementation plans for all specific savings approved for delivery in 2019/20 is being regularly reviewed by the Corporate Leadership Team (CLT) Change Board. Additional project management support has also been allocated from the non-recurring £1m approved by Council in October 2018 to assist delivery of the more challenging approved savings measures.
- 4.6 Review of these implementation plans shows positive progress, with 94% of savings by value currently assessed, on the basis of confirmed or planned actions, as green or amber as set out in Appendix 1. Work is continuing both to explore the specific required actions to allow amber savings to be assessed as green and prioritise development of detailed plans for those approved measures currently assessed as red. This activity has been complemented by development of a schedule profiling the expected timing of delivery of these savings to highlight, on a

¹ Of the £29.8m of specific savings approved for delivery in 2019/20, £0.6m relates to areas that form part of wider savings plans or actions to mitigate pressures. As such, these savings are incorporated in determining the updated net residual pressures position considered as part of (iii) above.

timely basis, where corrective action may be required and this analysis will be appended to in-year revenue monitoring reports.

- 4.7 After successive years' efficiencies, the measures required to deliver the 2019/20 savings programme are correspondingly more challenging and there will almost inevitably be a degree of slippage in the year. As a result, the need for mitigating action will require to be assessed and appropriate remedial actions implemented on an ongoing basis.

Council-wide efficiencies target

- 4.8 Of the £9.5m target, gross actions totalling £8.578m have been identified to date as shown in Appendix 2. This total includes the approved drawdown of £0.786m from the Council Priorities Fund which recognised the challenging nature of the 1.55% efficiency savings target.

- 4.9 The efficiencies actions include, but are not limited to, the following workstreams:

- (i) Lean and Automation teams are both in place and together aim to deliver up to £1.75m of savings in 2019/20, with a pipeline of work being developed. In addition to delivering cashable savings, the Lean and Automation teams will support teams to increase processing capacity to address service performance challenges;
- (ii) A review of senior management structures is underway with the intention of releasing savings of £0.5m in 2019/20. A separate review within Communities and Families is seeking the in-year delivery of £0.64m of savings;
- (iii) A Council workforce management panel has been introduced with the aim of bearing down further on non-essential recruitment, agency and overtime spend, complemented by a review of those posts deemed to be pre-approved as essential, such as Teachers and Social Workers;
- (iv) Procurement-related savings of at least £0.4m are being targeted through both robust grants and contract management processes and a revised approach to challenging requisitions and purchases in respect of planned and actual spend. It is estimated that savings of £0.1m will accrue to the General Fund, with the balance relating to the Capital Investment Programme and Housing Revenue Account; and
- (v) Focused income maximisation activity across the Council, generating up to £1m.

- 4.10 In recognition of the need for further development of detailed implementation plans for some elements of the operational efficiency workstream, however, a risk contingency of £1.5m has also been incorporated at this stage, reducing the sum of expected actions to £7.078m. In addition, as part of the roll-forward of the 2019/24 revenue budget process, existing assumptions with regard to the achievability of future years' efficiency-related savings targets will be re-assessed.

Residual pressures

- 4.11 Reporting during 2018/19 consistently highlighted the need to address residual directorate pressures on a sustainable basis through the identification and implementation of appropriate mitigating actions. The update to the Committee's previous meeting on 7 March 2019 intimated that residual net pressures across the Communities and Families, Place and Resources Directorates amounted to £8.8m.
- 4.12 As with the other workstreams noted at paragraph 4.2, work is continuing to identify further actions to reduce this level of pressure. Appendix 3 sets out the composition of gross pressures of £18.247m in the areas concerned, along with associated mitigating actions.
- 4.13 £8m of corporate savings measures were included in the approved 2019/20 budget and, as a result, in contrast to previous years, the ability to mitigate residual service pressures through this route is much more limited. A maximum further £3m of such corporate savings has therefore been reflected within the £13.3m of actions available to offset some of these residual pressures included in Appendix 3, resulting in a requirement to identify and deliver a further £4.947m of savings to address the requirement in full. It should be noted that use of savings from loan charges to offset pressures will result in the loss of opportunity to use this money to fund infrastructure.

Edinburgh Integration Joint Board (EIJB)

- 4.14 The EIJB met on 29 March and agreed £11.9m of budget savings proposals for 2019/20 across the partners as listed in Appendix 4. A report being considered by the EIJB on 24 May intimates a further proposed contribution from reserves of £2.36m, alongside progress on a range of previously-agreed parallel actions.
- 4.15 Allowing for the £2.5m additional contribution which is held within the Council Priorities Fund (release of which is contingent upon sustained performance improvement across a range of key outcome measures) and the proposed use of EIJB reserves noted above, the residual EIJB budget gap in 2019/20 is currently £7.15m. The EIJB will give further consideration to this budget gap and further measures to be initiated at its next meeting on 24 May. Tri-partite work involving the EIJB, NHS and Council partners is continuing, with a shared commitment to exploring achievement of overall financial balance.

- 4.16 The most recent performance update to the EIJB on 29 March 2019 reported the position at January 2019 and evidenced significant improvement across a number of areas as shown below:

	September 2018	January 2019
Total individuals waiting for assessment	1,749	1,245
% of assessments outwith standard priority timescales (14 days Priority A, 28 days Priority B)	52.3%	34.6%
Delayed discharge total	271	192
Waiting in community for a package of care	720	615
Individuals waiting in hospital for a package of care	129	49

- 4.17 Active monitoring of these key indicators will continue to ensure that recent performance improvements are sustained. It is recommended, however, that release of the £2.5m Council Priorities Fund contribution approved as part of the Council's 2019/20 budget remain subject to bringing forward a balanced overall budget for the EIJB (inclusive of the £2.5m CPF contribution). It is also the intention that future management of the EIJB budget is based fully on the arrangements set out within the Integration Scheme.

Teachers' pensions

- 4.18 The Committee has previously been advised of increases in teachers' superannuation contribution rates following a review of actuarial assumptions by the UK Treasury. While it was anticipated, at the time of budget-setting, that these changes would be largely offset by the receipt of Barnett Consequentials that would, in turn, be passed to Local Government by the Scottish Government, the approved budget nonetheless includes provision of £1.5m, being the full-year effect of the unfunded element of around 21%.
- 4.19 It had been anticipated that confirmation of this funding would be included in the UK Government's Spring Statement. This confirmation has not, however, yet been received and, as such, remains a risk to budget framework assumptions. Implementation of the contribution rate increase has, however, been delayed from April to September 2019, with the potential to reduce the level of in-year pressure by around £0.5m. Discussions between the Scottish and UK Governments on this issue are on-going.

Overall projected position for 2019/20

- 4.20 While, as noted earlier in the report, the current assessment is for the majority of savings to be delivered in full, given the trends observed in recent years, it is felt prudent to incorporate a general risk contingency set at 15% i.e. an assumption that 85% of savings identified will be delivered. At this stage, assuming implementation of all the actions included in Appendices 2 and 3, there is therefore a residual gap, after applying this risk contingency, of £13.740m. This position also assumes approval and subsequent delivery by the EIJB of measures sufficient to result in a balanced position in 2019/20.

Savings Category	Target	Identified	Weighted savings identified (assuming 85% delivery)	Gap
	£m	£m	£m	£m
Approved Savings – specific measures	29.173	29.173	24.797	4.376
Approved Savings - 1.55% Efficiencies (net of specific risk contingency)	9.500	7.078	7.078 ²	2.422
Residual pressures	18.247	13.300	11.305	6.942
Total	56.920	49.551	43.180	13.740

Further measures required to achieve financial balance

- 4.21 In view of both the level of assumed corporate savings (£8m within the approved budget and a further £3m identified in respect of service pressures mitigation) and available timescales for implementation of further measures, urgent action is required to address this residual gap.

Council Priorities Fund

- 4.22 It is recommended that, subject to confirmation of the 2018/19 revenue outturn, funds be earmarked within the Council Priorities Fund (CPF) pending development of additional actions of sufficient full-year value to address the related savings requirement on a sustainable basis. The Fund's current uncommitted balance is around £5m. While, if subsequently applied in full, this would reduce the remaining savings requirement in 2019/20 to £8.740m, it does not, however, obviate the need for more difficult choices and prioritisation if financial sustainability is to be maintained during the period of the framework.

² No further assumed delivery weighting applied due to explicit incorporation of risk contingency.

Responsibilities of Executive Directors and Chief Officer of Edinburgh Health and Social Care Partnership

- 4.23 As set out in the Council's Financial Regulations, Executive Directors are accountable for the financial performance of their directorates against the budget allocated and may incur revenue expenditure in furtherance of agreed Council policies only to the extent that budgetary provision has been made. As part of ensuring the overall sustainability of the Council's financial planning and management arrangements, Executive Directors also have a responsibility to review their respective budgets on an on-going basis. This includes the active monitoring and management of service pressures, delivery of approved savings and application of approved service investment, particularly in cases where this investment is targeted towards delivery of longer-term savings.

Responsibilities of elected members

- 4.24 Elected members' responsibilities include ensuring proper control is exercised over the authority's expenditure through scrutiny of periodic financial reports comparing expenditure with the level of budgetary provision.

Development of additional actions

- 4.25 The decisions required in the current and subsequent financial years are undoubtedly challenging but, against a backdrop of a real-terms reductions in funding, increasing demand, inflationary pressures and relative protection of health and social care and schools-related services, now need to be considered.
- 4.26 At the previous meeting of the Finance and Resources Committee on 7 March 2019, members agreed a motion requesting the identification of further potential savings or income-generating measures in 2019/20 in order that these could be applied, as necessary, where slippage or change in planned actions required alternatives.
- 4.27 To this end and as an initial contribution to this consideration, Appendix 5 includes a number of measures proposed, or implemented, in other Scottish councils. Members should note that this is not an exhaustive list of options but demonstrates the scope for decision-making capable of dealing with projected funding shortfalls. Executive Directors and their Heads of Service will work with elected members to review a range of options with a view to developing, as appropriate, additional mitigating measures for implementation as part of the first quarter's monitoring report to be considered at the Committee's next meeting on 15 August. This update will be informed, amongst other factors, by detailed analysis of the 2018/19 outturn, updated information on the position in respect of teachers' pensions noted at 4.19 above and any available flexibilities around loans fund advances, pending updating of relevant guidance and regulations by the Scottish Government. In the meantime, however, Executive Directors are instructed to cease all discretionary expenditure.

- 4.28 An extract of the relative priorities of citizens, as expressed through the online budget simulator used as part of the recent public engagement exercise, is furthermore included as Appendix 6 to inform this consideration.
- 4.29 The Accounts Commission *Challenges and Performance* report elsewhere on today's agenda reiterates that councils cannot be expected to deliver continuous improvement across all services in the current financial climate and, by extension, requires the taking forward of conversations with communities on relative priorities. Development of a sustainable revenue budget is also essential to delivery of wider priorities, including progressing the Wave 4 schools programme and to meet the requirements of the Prudential Framework.

Building standards services – fees for site inspections and completion of work certificates

- 4.30 In setting the Council's revenue budget for 2019/20 on 21 February 2019, members approved a number of income-generating measures set out in the earlier Change Strategy report considered by the Finance and Resources Committee on 1 February 2019. Part of the savings approved included a proposal to increase fees and charges for Building Standards services for Site Inspections and Confirmation of Completion of Work.
- 4.31 The current fees do not cover the costs of operating the service and have not changed for over ten years. The proposed revisions to fees included in Appendix 7, effective from 1 July, would bring Edinburgh more into alignment with other Scottish city authorities. The resulting income will be monitored and reported to CLT as part of the governance arrangements for tracking the delivery of the Income Maximisation strand of the budget savings for 2019/20. Subject to members' approval, these amended charges will be referred to Council for ratification on 30 May.

Spend to Save application – pitch improvements, Leith Academy

- 4.32 Leith Academy's synthetic pitch is in very poor condition and currently not used for curricular PE lessons, with limited community use. There is therefore significant pressure from the school and local community sports clubs to replace the current 2G pitch carpet to support the school's PE delivery and sports development in the surrounding area.
- 4.33 An independent site inspection report for the current pitch has been undertaken and a corresponding cost plan for the refurbishment developed. It is estimated that a 2G to 3G upgrade would cost of the order of £0.206m, inclusive of a 5% contingency.
- 4.34 Several meetings with the school and stakeholders have taken place. Total external funding contributions of £0.053m are anticipated, resulting in an estimated net funding requirement of £0.153m.
- 4.35 Upgrading the carpet from 2G to 3G will increase use of the pitch and it is anticipated that additional income of £26,000 per annum will be generated from increased lets. The additional income will be partially offset by annual maintenance costs, which are estimated at £5,600.

- 4.36 The additional annual net revenue generated of £20,400 is estimated to result in a payback period of 7.5 years. While this is longer than the average payback period for the fund, given the current fund balance of £2.5m, will not preclude the taking forward of other eligible projects. Subject to members' approval, this decision will be referred to Council for ratification on 30 May.

5. Next Steps

- 5.1 Executive Directors will work with elected members in developing further required savings actions with reference to both required timescales for implementation and the measures' alignment to the Council's key priorities and outcomes.

6. Financial impact

- 6.1 While significant progress has been made since the Committee considered the previous revenue budget update on 7 March 2019, the report nonetheless re-emphasises the importance of proactive management of pressures and delivery of approved savings. In view of the latest assessment, however, further measures will require to be implemented during the year if the integrity of the framework is to be maintained.

7. Stakeholder/Community Impact

- 7.1 There is no direct relevance to the report's contents. In considering measures to secure the Council's wider financial sustainability, however, members may wish to consider both activities' respective contributions to the key outcomes of the Change Strategy and public engagement feedback on the Council's relative priorities.

8. Background reading/external references

- 8.1 [Finance Update](#), Edinburgh Integration Joint Board, 24 May 2019
- 8.2 [2019/20 Financial Plan](#), Edinburgh Integration Joint Board, 29 March 2019
- 8.3 [Performance Report](#), Edinburgh Integration Joint Board, 29 March 2019
- 8.4 [Revenue Budget Framework 2019/23 – Progress Update](#), Finance and Resources Committee, 7 March 2019
- 8.5 [Coalition Budget Motion](#), City of Edinburgh Council, 21 February 2019
- 8.6 [Feedback on the Change Strategy and Budget Proposals, 2018 and 2019](#), The City of Edinburgh Council, 21 February 2019
- 8.7 [Council Change Strategy: Planning for Change and Delivering Services 2019-2023](#), Finance and Resources Committee, 1 February 2019
- 8.8 [Council Change Strategy – Risks and Reserves 2019-2023](#), Finance and Resources Committee, 1 February 2019

9. Appendices

Appendix 1 - 2019/20 approved savings – current Finance RAG assessment

Appendix 2 – Efficiencies workstream, 2019/20 – actions identified to date

Appendix 3 – Gross pressures and associated mitigations, 2019/20

Appendix 4 – EIJB approved savings, 2019/20

Appendix 5 – Options published by other local authorities

Appendix 6 – Key findings from online budget simulator process used as part of 2019/20 budget engagement process

Appendix 7 - Proposed changes to building fees for site inspections and completion of work certificates with effect from 1 July 2019

2019/20 approved savings - current Finance RAG assessment

Approved saving	Department	2019/20 approved saving	Current Finance RAG assessment		
			Green	Amber	Red
Enabling Educational Efficiencies – Third Party Grants (2018/19 additional spend)	Communities and Families	0.250	0.250		
Invest in Revenue Collection Officers	Communities and Families	0.175	0.175		
Invest to reduce temporary accommodation voids rates	Communities and Families	0.090		0.090	
Adoption of Scottish Government Framework for electricity and gas	Communities and Families	0.030		0.030	
NHS commissioned services	Communities and Families	0.100	0.100		
Carers' Act Funding	Communities and Families	0.075	0.075		
Efficiencies in the delivery of accommodated children's services	Communities and Families	0.510	0.405	0.105	
Library service - reduce book fund	Communities and Families	0.200	0.200		
ASN adaptations to mainstream schools	Communities and Families	0.100	0.100		
Heritage language	Communities and Families	0.042	0.042		
Support for Learning Management	Communities and Families	0.200	0.200		
Police funding	Communities and Families	0.522	0.522		
	Total Communities and Families	2.294	2.069	0.225	0.000
Edinburgh Leisure (£0.350m efficiency saving is fully offset by a pay award-related uplift, resulting in unchanged 2019/20 service payment)	Communities and Families	0.350	0.350		
	Total Edinburgh Leisure	0.350	0.350	0.000	0.000
Funding the Edinburgh Partnership and Third Sector Interface	Services reporting to Chief Executive	0.040	0.040		
Reduce capacity in Strategy and Communications	Services reporting to Chief Executive	0.200	0.100	0.100	
	Total for services reporting to Chief Executive	0.240	0.140	0.100	0.000
Asset Management Strategy and Service Reprovisioning	Resources	0.250			0.250
ICT Solutions Organisational Review	Resources	0.450	0.450		
ICT/CGI Partnership Arrangements	Resources	0.050	0.050		
Print and Mail Strategy	Resources	0.090		0.090	
Emergency Service Provision for Edinburgh Shared Repairs Service	Resources	0.218	0.218		
Investment portfolio rationalisation	Resources	0.415		0.415	
Non Domestic Rates Appeals	Resources	0.800		0.800	
Additional advertising income	Resources	0.470		0.470	
Increasing rental income	Resources	0.500	0.500		
Business support services review	Resources	1.000		1.000	
Property and FM: Management and Investment Estate Savings	Resources	0.515	0.515		
Reduction in Executive Director of Resources budget	Resources	0.126	0.126		
Upfront Payments	Resources	0.200		0.200	
Property Maintenance Programme (2018/19 additional spend)	Resources	0.850	0.850		
Corporate Learning and Development – Budget Reduction	Resources	0.250	0.250		
Monitoring Officer – Budget Reduction	Resources	0.107	0.107		
ICT Partnership – Contract Optimisation	Resources	1.200		1.200	
	Total Resources	7.491	3.066	4.175	0.250
Improved Approach to Street and Environmental Enforcement	Place	0.750		0.375	0.375
Tourism and Marketing Reform	Place	0.300	0.300		
Localities Phase Two	Place	0.300			0.300
Area-Based Regeneration	Place	0.250		0.125	0.125
Parking Action Plan Phase 2	Place	0.369			0.369
Fleet Review	Place	0.500		0.500	
Commercialism and Income Maximisation - Full Cost Recovery	Place	0.200		0.180	0.020
Commercialism and Income Maximisation - Statutory Consents	Place	0.825	0.577	0.177	0.072
Commercialism and Income Maximisation - Pre-planning Applications	Place	0.100	0.100		
Commercialism and Income Maximisation - Culture	Place	0.150	0.150		
Commercialism and Income Maximisation - Parks and Greenspaces	Place	0.150			0.150
Joint Procurement of Waste Contracts	Place	0.325		0.325	
Re-provision of public conveniences	Place	0.250		0.250	
Clean and Green (2018/19 additional spend)	Place	0.250	0.250		
Roads (Additional funding) (2018/19 additional spend)	Place	0.250	0.250		
Capitalisation of Road Maintenance Budget	Place	0.500	0.500		
Transport Reform	Place	0.500		0.500	
Economic Development	Place	1.200		1.200	
New Ways of Working - Public Safety and Business Continuity	Place	0.130			0.130
	Total Place	7.299	2.127	3.632	1.541
Council Tax	Corporate	3.000	3.000		
Loans charges	Corporate	5.000	5.000		
Workforce Modernisation and Change Management	Corporate	0.500		0.500	
Contract Optimisation	Corporate	0.100	0.100		
EDI	Corporate	1.047	1.047		
	Total	9.647	9.147	0.500	0.000
		27.321	16.899	8.632	1.791
Parking - increase charges by average of 4.5% per annum over four years	Place	0.800	0.400	0.400	
Cultural grants	Place	0.052	0.052		
Discretionary income	Council-wide	1.000	0.750	0.250	
		29.173	18.101	9.282	1.791
			62%	32%	6%

Efficiencies workstream, 2019/20 - actions identified to date

Action	Description of Action	2019/20 £000
	Approved Budget Savings 2019-20: Operational Efficiencies at 1.55% of Net Expenditure	9,500
Management Savings (C&F)	Communities and Families will review managerial structures and will produce a revised senior management structure. The part year savings for 2019/20 are estimated at £0.64m.	640
Workforce Control (C&F)	Communities and Families will apply targeted vacancy control taking account of service needs and priorities. Essential child protection services and schools budgets will be exempt from additional vacancy controls.	700
Workforce Control (C&F)	Family & Household Support and Quality Assurance have a number of existing vacancies. These vacancies will be frozen pending a wider review of the service which will also re-structure management posts.	350
Workforce Control - Reduction in Agency and Overtime (Place)	Enhanced workforce controls will be implemented in Place to reduce overtime and agency spend. Recognising instances where permanent staff are not used for operational and economic reasons due to seasonal or irregular service patterns, an overall 5% reduction has been assumed. For illustration, this represents the equivalent of 16 FTE at grade 5.	450
Reduction in Discretionary Expenditure (Place)	Development and implementation of proposals to reduce further discretionary expenditure across the Place directorate, including staff travel.	250
Place Development - Efficiencies	Development and implementation of a range of efficiency measures. It is anticipated that the material aspects of this workstream will come from the Housing Service Improvement Plan, through a focus on productivity and efficiency; and Economic Development, through a review of third party contract arrangements.	730
Place Management - Efficiencies	Development and implementation of a range of efficiency measures.	530
Workforce Control (Resources)	A 1.55% efficiencies savings target has been allocated to Finance (£52,000), HR (£59,000) and Legal and Risk (£25,000). The saving is anticipated to be achieved as follows: Finance-employee turnover; HR-full year effect of 2018/19 Organisational Review; Legal and Risk-review of recharge rates and time recording processes.	136
Customer and Digital Services - Efficiencies	Implementation of a range of savings measures across Business Support, Customer and Digital Services, including employee turnover savings; employee savings achieved through changes in service delivery; review of existing contracts; channel shift savings; and review of income from external customers.	656
Operational Efficiencies - Lean Business Processes	Development and implementation of a pipeline of Lean reviews to simplify business processes, eliminate waste and develop lean and efficient processes, ensuring that we are making best use of our existing technologies; enabling development of a culture of continuous improvement and improving the quality and consistency of service.	1,250
Operational Efficiencies - Intelligent Automation	Development and implementation of a pipeline of reviews to automate high volume, low value repetitive business transactions to release savings, increase capacity, improve processing quality and accuracy, and enhance management information.	500
Operational Efficiencies - Income Generation	Development and implementation of proposals to generate additional income.	1,000
Operational Efficiencies - Reduction in Senior Management	Review and reconfiguration of senior management structures across the Council to reduce costs.	500
Operational Efficiencies - Procurement	This workstream will develop a range of contract management efficiencies through robust grants and contract management, with a focus on the top Council suppliers, in terms of influenceable spend; and, implement a revised approach to requisitions / purchases, to enable a targeted constructive challenge of spend.	100
Council Priorities Fund	This represents the drawdown of the balance set aside in the Council Priorities Fund which recognised the challenging nature of the £9.5m (1.55%) efficiencies savings target for 2019/20.	786
	Operational Efficiencies - Gross Actions	8,578

Action	Description of Action	2019/20 £000
Operational and Other Efficiencies - Savings Delivery Risk Adjustment	Interim risk adjustment applied against efficiencies workstream savings targets pending development of detailed savings implementation plans.	-1,500
Operational Efficiencies - Net Actions		7,078
Operational Efficiencies - Remaining Gap		2,422

Gross pressures and associated mitigations, 2019/20

Pressure	Description of Budget Pressure	2019/20 £000
Home to School Transport	Expenditure on home to school transport increased from £5.5m in 16/17 to £7.4m in 18/19. In addition, approved savings of £0.4m in 2018/19 have not yet been delivered. The majority of the additional expenditure relates to children with additional support needs and there has been a significant increase in children receiving individual or high cost shared transport.	2,700
Homelessness	The shortage of suitable temporary accommodation is leading to the service having to place individuals in bed and breakfast accommodation. This is the most costly provision as the proportionate level of housing benefit the Council receives for B&B is low in comparison to other accommodation types.	2,000
Community Access to Schools	The budget for community access to secondary schools assumes a net surplus of £1.3m but at present is achieving £0.25m. Additional PPP and facilities management charges introduced in recent years have affected the net surplus being delivered.	1,050
Schools - Demography	Demography funding provided in recent years has been insufficient to meet the full impact of rising school rolls on the cost of the budget allocations determined through the Scheme of Devolved School Management.	1,000
Schools - Non Devolved Costs	Non-devolved costs for maternity cover, grounds maintenance and other central costs are in excess of available budgets.	900
Management Savings (C&F)	Proposals for approved management savings of £0.35m have not yet been fully developed and implemented.	350
Residual Pressures 2018/19 - Waste and Cleansing	Waste and Cleansing services have experienced underlying pressures including additional employee costs and higher than anticipated Landfill Tax expenditure. Measures, including the implementation of Millerhill operations and additional contract management efficiencies, are in place to address these underlying deficits through the Waste Improvement Plan and wider budget realignment.	2,935
Residual Pressures 2018/19 - Deferred Delivery of Approved Savings (Place)	Management action will be required in 2019/20 to deliver the full impact of savings approved by Council in February 2018 including: Economic Development review (£0.3m); Fleet savings (£0.2m); Roundabout and Verge advertising (£0.2m); and Garden Waste collection (£0.5m).	1,200
Residual Pressures 2018/19 (Place)	There are a range of underlying budget pressures across Place Directorate including a shortfall in Pay and Display parking income; additional expenditure in Parks and Greenspace; and increasing legal fees relating to planning appeals.	1,820
Staff Increments 2019/20 (Place)	The estimated impact of staff increments in 2019/20 is £1.2m. Budget management measures including vacancy control and removal of discretionary spend budgets have been applied in 2018/19 and it will be significantly more challenging for managers to meet this cost than has previously been the case.	1,200
Transport Review 2019/20	There were a number of vacancies within the Transport service during 2018/19. The proposed structure within the current Roads and Transport organisational review represents an increase on current staffing. Further work will be undertaken to ensure that the final organisational structure is affordable and sustainable.	1,200
Parking Income 2019/20	In 2018/19, there was a marked change in parking behaviours which resulted in reduced pay and display income. A further provision of £0.45m is assumed against parking income in 2019/20 and this will be closely monitored on an ongoing basis.	450
Property and Facilities Management	This pressure represents residual savings of £0.903m to be achieved from the Asset Management Strategy which was approved by Act of Council 2016 and Property and Facilities Management employee turnover savings of £0.539m approved by Act of Council 2018.	1,442
	Gross Pressures	18,247

Action	Description of Mitigating Action	2019/20 £000
Homelessness - Reduction in use of Bed and Breakfast	A range of actions to reduce the use of Bed and Breakfast including 60 additional Private Sector Leasing properties (with lease premiums payable in order to attract landlords to the scheme), and 18 additional HRA properties being made available for temporary accommodation from the end of 2018/19.	1,000
Homelessness - Additional Housing Benefit	Increased income from a reduction in Housing Benefit clawbacks, resulting from a change in the mix of temporary accommodation types and the conversion of B&B properties to Shared Accommodation with access to cooking and cleaning facilities.	500
Home to School Transport	Implementation of a range of actions to seek to reduce the pressure including: A more equitable home to school transport policy; a review of individual and high cost packages to identify alternative options; a new framework agreement for external transport hire; and a Transport Allocation Panel to assess all requests for individual transport.	700
Community Access to Schools	A number of actions are being considered to seek to reduce the pressure including: transfer of the management of primary and special school lets and non-sports lets to Edinburgh Leisure; a revised opening hours model to reduce additional PPP and facilities management costs; and harmonisation of prices with Edinburgh Leisure.	600
Early Years	Maintenance of existing staffing vacancies pending reconfiguration of the organisational structure to realign staffing responsibilities to fulfil the requirements of Early Learning and Childcare Expansion.	750
Additional Income (C&F)	Fees and charges were increased by 5% on average and it is anticipated that this will deliver additional income above the level of budgeted increase.	120
Service Containment of Increment Costs (Place)	Development and implementation of a range of savings measures across service areas to offset the cost of staff increments in 2019/20.	1,200
Localities and Communities Investment Funding	The Council's budget for 2018/19 approved an allocation of £0.25m to support investment in Communities and Localities with decisions on investment approved through Locality Committees. Due to the timing of approval and the lead in time required to deliver projects, it is estimated that expenditure incurred in 2019/20 will be £0.12m.	130
Operational Efficiencies - Senior Management Review (Place)	Review of senior management arrangements within Place Management.	100
Realise Full Year Impact of Previously Approved Savings (Place)	Not all 2018-19 savings were realised in full. Management action will be undertaken to deliver the full impact of the Economic Development review (£0.3m); Fleet savings (£0.2m); Roundabout and Verge advertising (£0.2m); and Garden Waste collection.	1,200
Implement Service Reforms (Place)	Development and implementation of service reforms to be implemented in year. Potential areas for change include reforms to Council Transport Companies; and implementation of cashless parking to reduce cash handling costs.	200
Reduction in Budget Pressures (Place)	Development and implementation of proposals to challenge and reduce the impact of identified cost pressures. This will include detailed analysis of the reduction in Pay and Display parking income which emerged in 2018-19 to consider potential action to mitigate the effect.	500
Value for Money Audits (Place)	The proposal will build on case studies from other Local Authorities where VFM audits have been undertaken in terms of frequency of service operations, associated costs and citizen satisfaction. Association for Public Service Excellence (APSE) reports and recommendations will be evaluated for adoption of best practice.	300
Contract Efficiencies (Place)	Further contract management efficiencies will be negotiated and implemented in Place Management. The proposal will not impact on front line service delivery.	600
Millerhill Operations (Place)	The full year benefit of Millerhill operations will be realised in 2019-20.	1,800
Pentland Hills Operations (Place)	The proposal relates to a review of operating arrangements including consideration of the allocation of operating costs between funding partners.	100

Action	Description of Action	2019/20 £000
Re-Profile of Expenditure	Carry forward of Property and Facilities Management earmarked balance from 2018/19 to mitigate the 2019/20 budget pressure.	500
Corporate Budgets	Corporate budgets will be reviewed on an ongoing basis to seek to secure additional savings of up to £3m through a range of measures, including proactive treasury management to increase investment income and maximisation of Council Tax income through continuation of improvements in collection rates and ongoing review of the council tax base, discounts and exemptions.	3,000
Mitigation of Budget Pressures - Total Actions		13,300
Budget Pressures - Remaining Gap		4,947

EIJB approved savings, 2019/20

Proposal	Description of Savings Proposal	2019/20 £000
Grip and Control		
Transport efficiencies	Implementation of a range of efficiencies, including: the introduction of a revised assisted transport policy which aims to reduce dependency on transport provided by the Partnership, whilst maximising independence through utilising individual and community based resources; introduction of greater "grip and control" around provision of staff transport.	500
Reduction in agency staffing expenditure	A range of grip and control measures to reduce expenditure in relation to agency and supplementary staffing, particularly across the care home estate and within disability services.	700
Budget control and efficiencies in ATEC24 Service	Introduction of better grip and control in relation to the processes for requesting and authorising spend against the NHS budget for the equipment service provided by the ATEC 24 service	250
S2C GP practices	Establishment of a dedicated post will ensure greater grip and control within Section 2C GP practices and provide day to day operational support to address current projected overspends.	250
3 Conversations Model / Edinburgh Offer / Service Redesign		
Home care	Right sizing the internal home care service, to achieve a scaled, effective in-house managed service, which is focused on provision of reablement and complex care. Mainstream care at home can then be purchased from the external market.	500
Overnight home care	Modernisation of the existing overnight home care service to bring it into line with other out-of-hours/responder systems. Introduction of better continence care to reduce the need for overnight support and meet outcomes in a more cost effective and less intrusive way.	250
Overnight support	Introduction of a city-wide responder service to support a strategy of shared overnight support, aligned with better use of assistive technology. This would provide a more cost effective and less intrusive way of alternative to traditional sleepover services for those service users whose needs can be appropriately met in this way.	250
Expansion of Be Able model of day care	Increase access to the successful Be Able programme of older people's day care by refocusing our resources on providing high-end support and reablement approaches. Increase the number of Be Able sessions from 9 a week to 15 a week. Move away from the provision of internal mainstream daycare with the resulting closure of 2 day care centres.	92
Closure of Gylemuir House Care Home	The lease for Gylemuir House does not permit the physical upgrades and improvements which are necessary to meet the terms of Care Inspectorate registration. Gylemuir cannot provide this service going forward and will need to be closed. There is sufficient capacity across the rest of the care home estate to manage the immediate demand for interim care, pending a wider redesign of the bed base.	2,250
Delivery design	Reconfiguration of organisational structure to support our move towards the 3 Conversations whole-system model of delivery. Simplification of locality management structures to provide more supportive management and professional governance.	350
Mental health and disabilities services efficiencies	A range of efficiency measures within mental health and disability services, including a review of the current management arrangements for internally provided services; reviews of packages of care, aligned with the 3 Conversation model, to ensure fair and equitable provision of support in areas such as short breaks and housing with support; a review of out of Edinburgh placements for mental health.	736
Community/hospital interface	This proposal seeks to create a city-wide sustainable Hospital @ Home service as part of a wider review and rationalisation of a variety of disparate, specialist teams working within the community.	375
Other		
Scheduling efficiencies in the internal home care service	Introduction of a new IT scheduling system for the internal home care service, leading to greater efficiency in scheduling and a consequent reduction in current administration costs.	125
Uplifts to rates	Honouring the commitment to support providers to deliver the Scottish Living Wage whilst also working with those providers in 19/20 to deliver increased efficiencies and reduced costs.	550

Proposal	Description of Savings Proposal	2019/20 £000
Efficiencies in hosted and set aside services	Continue to work in partnership with NHS Lothian on this area of budget pressure.	2,140
Increases to charges	Discretionary charges for health and social care services (including care at home, day care and telecare and community alarm services) increased by 5%, pending the development of a more comprehensive charging strategy for services.	500
Prescribing	A range of prescribing efficiency measures which includes actions that have taken place in 18/19 that impact on expenditure in 19/20 have been estimated at £0.5m. Schemes for next year include; polypharmacy reviews, scriptswitch, rebates, GP practice intervention project, dietetic reviews of oral nutritional supplementation and a care home waste reduction initiative.	2,123
Total		11,941

Option	Description of Savings Option
Options published by other Local Authorities	
Roads and Transportation Review	Prioritisation and efficiency review including: out of hours service and shift working; organisational structure; overtime; vehicles; and winter maintenance.
Review of Scheme of Devolved School Management	Efficiency review of the DSM scheme including consideration of revised training allocations and review of central staffing allocations.
Early Years / Early Learning and Childcare	A review of the whole Early Years service taking account of the expanded Early Learning and Childcare (ELC) provision.
Instrumental Music Service	27 councils have introduced charging for instrumental music tuition with various discounts and exemptions applying.
Review of Culture and Leisure	A reduction in the management fee across Culture and Leisure services
Revision of staffing allocations to Schools	Re-basing all staffing allocations across Primary, Secondary and ASN schools to ensure transparency and fairness following national class size guidance and removing all ad-hoc allocations. A whole system approach to teacher wellbeing will be introduced to manage staff absence and reduce absence and supply staff.
Changes to the Level or Approach to Service Delivery	Changes to service levels including: reductions in roads service provision; reductions in ground maintenance; and reduction in the frequency of services delivered by Facilities Management.
Early Years Operational Efficiencies	Optimisation of the future operating model supporting the expansion of Early Learning and Childcare, to deliver economies of scale and operational efficiencies arising from the extended day and extended year service provision.
Specialist Teachers	Transformational change of support for pupils to a whole system approach to wellbeing and in clusters. The service will embrace third sector partners and work closely with established groups within the Community Planning Partnership to develop a whole community approach to inclusion and support for young people.
Service Prioritisation	
Service Prioritisation	The Accounts Commission <i>Challenges and Performance</i> report elsewhere on this agenda reiterates that councils cannot be expected to deliver continuous improvement across all services in the current financial climate and, by extension, requires conversations with communities on relative priorities. An extract of the relative priorities of citizens, as expressed through recent public engagement, is included as Appendix 6.

Information for other local authorities is based on a desk-based review of published budget papers. Further analysis and engagement would be required to inform budget decisions.

The online budget simulator

Process

The online budget planner presented information on how the Council currently allocates its resources. This tool allows stakeholders to view this information, make changes to the levels of spending in each service area, and understand some of the consequences that might result from making that level of change in each service area's budget. Participants had discretion to increase or decrease funding to all services in 5% increments from -20% to +10%, or to leave funding at current levels.

To encourage meaningful feedback and for ease of use, not all Council services were included in the online planner. It is estimated that Scottish Local Authorities provide in the region of 600 to 700 distinct services, and the complexity of this level of financial information would discourage public engagement and inclusive engagement.

Services with large budgets were included automatically – such as schools and care. Smaller services were grouped together if they were closely related and their combined revenue budgets exceeded £3m. Purely internal services such as Human Resources and Finance had their budgets proportionately allocated to the services they support. This last decision was taken to provide insight into how participants would make meaningful choices between services they receive, rather than reduce funding in areas where they believed there would be no consequences for service delivery.

Initially, participants needed to balance the budget over four years before they could submit (around 11% savings were needed), but this was relaxed after six weeks to allow respondents to submit a one-year budget.

Insights

The following table shows the average change in all service areas included in the online planner.

Fig 2. Average change for all services, for all submitted budgets using the online planner

Services	Average change
Mental health services	-3.8%
Care at home for older people	-4.8%
Roads, transport and infrastructure	-5.0%
Secondary schools	-5.3%
Primary schools	-5.4%
Services for people with disabilities	-5.4%
Residential care for older people	-5.4%
Waste, cleansing and environmental wardens	-6.3%
Residential care for children, child protection services and additional support for learning	-6.6%
Parks, greenspace and local environment	-7.1%
Culture	-7.1%
Nursery schools, nursery classes and early years centres	-7.2%
Economic development	-8.2%
Planning, building & trading standards and environmental health	-8.5%
Sport and leisure	-8.6%
Community learning and development	-8.9%
Community safety and CCTV	-8.9%
Libraries	-9.1%

The amount of spending on **mental health services** was reduced by less than any other service area and had the largest proportion of participants (13%) who balanced their budgets and increased spending in this area. There was strong agreement about the importance of mental health services across all demographic groups, with Council colleagues making the largest overall reduction to this service area (-5%). Amongst those who submitted only a one-year budget, there was no net reduction in spending in this area.

Care at home for older people had an overall reduction of 4.8%. There were obvious demographic and age differences in relation to participant budgets for this service; men reduced this service area by twice as much (-5%) as women (-2%); and younger participants made larger reductions (-5%, those aged under 25) compared to older participants (-3%, those aged 45 and over).

Roads, transport and infrastructure spending was reduced by 5% overall, and showed no large differences by demographic group. However, 12% of participants wanted to see spending in this area increase – this was the second highest proportion of participants whose budgets included an increase after mental health services.

Spending on **primary schools** and **secondary schools** was very similar, with both having an overall reduction of just over 5%. Parents of school-age children made only a 4% reduction in both services; perhaps unsurprisingly, parents of school-age children prioritised primary and secondary schools over all other service areas – including nursery schools and child protection services. Spending on schools tended to be reduced by more by older participants (-6% to -8%, those aged 45 and over) and by Council colleagues (-8%).

Services for people with disabilities had a 5.4% overall reduction and was reduced by men (-6%) more than women (-3%). The same pattern was observed for **residential care for older people**, with an overall 5.4% reduction and larger reductions from men (-6%) than women (-4%). However, unlike care at home, there was no strong pattern in submitted budgets based on the age of participants, with younger and older participants making similar choices.

Waste, cleansing and environmental wardens had a net budget reduction of 6.3%. Council colleagues made the largest reductions (-8%) of any group, with the smallest reductions (-4%) made by those aged 65 and over.

Spending on **residential care for children, child protection services and additional support for learning** had an average reduction of 6.6%. Participants aged over 65 made much larger cuts (-9%), as did men (-8%), while parents made a reduction only slightly better than the average (-6%).

Parks, greenspace and the local environment had a net 7.1% reduction, with the largest reduction being made by those aged under 25 (-9%), compared to only a 6% amongst those aged 65 and over.

Spending on **culture** was reduced by 7.1% on average, with Council colleagues making a 10% reduction overall and the smallest reductions being made by participants under 25 (-6%) and women (-6%).

The 7.2% reduction in the budget for **nursery schools, nursery classes and early years centres** was the largest of any of the education services. While Council colleagues cut this budget by 7%, this was less than they reduced primary and secondary budgets (-8%). Those aged 65 and over made an overall reduction of 10% for this budget – the joint-highest reduction this age group made for any service area.

The 8.2% reduction in spending on **economic development** includes the most divergent views amongst participants. Those aged under 25 made an average reduction of only 4%, and by contrast those in other age groups made reductions of 9%. Council colleagues and parents both targeted the service with larger cuts, each group submitting average 11% reductions – this was the highest reduction parents made to any service area.

Planning, building & trading standards and environmental health had an average 8.5% reduction in spending. This was consistent across most age groups, with only those aged 65 and over cutting the service by 6%. This service grouping showed the smallest change in overall budget change based on the total saving submitted by participants – those who submitted only a one-year budget reduced spending on this area by 7%, compared to those who submitted a four-year budget reducing spending by 13% – a gap of only 6%. By contrast, the gap between one-year and four-year budgets were 18% for primary schools, 13% for mental health services, and 10% for culture.

Participants reduced spending on **sport and leisure** by 8.6%. The group making the smallest reduction overall were those aged 65 and over (-6%), while Council colleagues made the largest reduction (-11%) and most other groups were similar.

The 8.9% reduction in **community learning and development** included the largest reduction made by Council colleagues (-12%) and reductions tended to increase as participant age increased. Those aged under 25 made average 7% reductions, increasing to 10% reductions amongst those aged 65 and over.

Community safety and CCTV was reduced by an average of 8.9% and showed little variation amongst demographic groups.

Libraries had their budgets reduced by, on average, 9.1%. This service had one of the largest reductions in one-year budgets (7%, joint equal with economic development), but also had one of the largest reductions in four-year budgets (17%, joint fourth overall). There were no significant differences by demographic group.

Proposed changes to building fees for site inspections and completion of work certificates with effect from 1 July 2019

Category	Scale	Current Fees and Charges	New Fees and Charges
Property Inspections (PI) Domestic	Site visits	£125.00	£375.00
Property Inspections (PI)	Site visits	£50.00	£100.00
Confirmation of Completion – Commercial	Estimated work cost up to £10,000	£250.00	£500.00
	Estimated work cost up to £30,000	£460.00	£920.00
	Estimated work cost up to £50,000	£580.00	£1,160.00
	Estimated work cost up to £80,000	£760.00	£1,520.00
	Estimated work cost up to £100,000	£880.00	£1,760.00
	Estimated work cost up to £200,000	£1,380.00	£2,760.00
	Estimated work cost up to £300,000	£1,880.00	£3,760.00
	Estimated work cost up to £400,000	£2,380.00	£4,760.00
	Estimated work cost up to £500,000	£2,882.00	£5,764.00
	Estimated work cost up to £600,000	£3,755.00	£7,510.00
	Estimated work cost up to £750,000	£4,630.00	£9,260.00
	Estimated work cost over £750,000	By Arrangement	By Arrangement
	Confirmation of Completion -Domestic	Site Visit	£125.00
Site Visit		£50.00	£100.00

Finance & Resources Committee

10am, Thursday, 23 May 2019

Adoption of Framework to provide an Online Booking Service for Emergency Accommodation for Homelessness Services

Item number	7.8
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

- 1.1 This report seeks the approval of the Finance and Resource Committee to adopt Lot 2 “Online Accommodation Booking” of the Crown Commercial Services Public Sector Travel & Venue Solutions Framework, to provide an online booking portal for temporary accommodation where alternative contracts do not have the capacity to deliver.
- 1.2 The Framework expires on 28 February 2021, with an option to extend for twelve months.
- 1.3 Based on current requirements the estimated value of call offs against this framework would be £560,000, however, the framework will only be used when required and the Council will have no commitments regarding volume and expenditure.

Alistair Gaw

Executive Director for Communities and Families

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Adoption of Framework to provide an Online Booking Service for Emergency Accommodation for Homelessness Services

2. Executive Summary

- 2.1 This report seeks the approval for the Finance and Resources Committee to adopt Lot 2 “Online Accommodation Booking” of the Crown Commercial Services Public Sector Travel & Venue Solutions Framework to provide an online booking portal for temporary accommodation where alternative contracts do not have the capacity to deliver.
- 2.2 Hotel Reservation Service Limited (HRS) are sole supplier on Lot 2 of the Crown Commercial Service Framework.
- 2.3 The Framework expires on 28 February 2021 with an option to extend for twelve months.
- 2.4 Based on current demand the annual spend on the framework would be £560,000. However, there is no commitment to spend and the actual value may fluctuate depending on demand for temporary accommodation and capacity of other contracts utilised by the Council.

3. Background

- 3.1 The Council has a statutory duty under Part II of the Housing (Scotland) Act 1987 – Homelessness Provisions – to assist those who are homeless or threatened with homelessness, including providing accommodation in certain circumstance. The Housing (Scotland) Act 2001 amends the 1987 Act and requires the Council to provide a minimum of temporary accommodation, advice and assistance to all applicants assessed as homeless, regardless of whether they have been assessed as being in priority need.
- 3.2 The Council has contracts in place for accommodation in Private Sector Leasing (PSL), Shared Houses and Interim Accommodation (IA) that is provided as a managed service by an agent. Homelessness Services also arrange for ‘spot’

contracts for IA that are directly awarded, if required to allow the Council to discharge its duties.

- 3.3 In addition to these contracted services, the Council is sometimes required to purchase temporary accommodation on an ad hoc basis in order to meet demand.

4. Main report

- 4.1 It is estimated that around £560,000 annually is spent through “corporate” providers who are generally large chain hotels. The objective of adopting this framework is to provide an efficient booking facility which is compliant with the Council Standing Orders where these hotels are required.
- 4.2 This framework will provide an avenue for booking short term accommodation from hotel brands. Between April and November 2018, 39 separate chain hotels were used in Edinburgh to provide a total of 5033 bednights. Currently each individual booking is carried out manually to establish availability. Subsequently each hotel will have a separate payment process which again has a resource implication, as these must be processed before the booking is accepted.
- 4.3 The online booking system provided by HRS will provide a streamlined system to establish availability, make a booking and manage a single weekly invoice regardless of volume.
- 4.4 In 2017 Crown Commercial Services advertised a Framework for Public Sector Travel and Venue Solutions, with Lot 2 dedicated to Online Accommodation booking. Eight suppliers tendered, and the Framework Lot was awarded to HRS in March 2018.
- 4.5 The City of Edinburgh Council can therefore directly call off when there is a requirement to book emergency accommodation through HRS.
- 4.6 The service is provided without a management charge or booking fee for the Council, with revenue for HRS earned through a commission basis from hotels. This will also allow the Council access preferential rates which HRS has been able to negotiate as a global travel management agency.
- 4.7 Call offs from the framework shall be managed by the Council’s Homelessness and Housing Support Services. They will track benefits and work to monitor key performance indicators during the duration of the framework.
- 4.8 The framework expires on 28 February 2021, with an option to extend for twelve months.

5. Next Steps

- 5.1 The Council's Homelessness and Housing Support Services will work with HRS to implement the system. This will be a straightforward process as the booking tool can be accessed on any internet enabled device and computer. It is anticipated that bookings will be able to begin almost immediately dependent on demand.

6. Financial impact

- 6.1 Adoption of this Framework does not represent a financial commitment by the Council however based on historical spend the potential value of call offs are estimated to be £560,000 annually and there are a number of factors which may affect spend including;
 - 6.1.1 The opportunity to gain access to discounted rooms negotiated by HRS with global hotel chains;
 - 6.1.2 Any changes in demand and other strategies led by Homelessness and Housing Support Services to meet this demand; and
- 6.2 There will be operational time savings as a result of this process as it will reduce time spent booking hotel rooms and managing the invoicing process.
- 6.3 The costs associated with procuring this Framework are estimated to be less than £10,000.

7. Stakeholder/Community Impact

- 7.1 This service represents an internal process change but is not anticipated to represent a change to outcomes for end users.
- 7.2 Homelessness and Housing Support Services will work with HRS to carry out a Data Privacy Impact Assessment following adoption of the framework. This will be governed using the terms in the Crown Commercial Services Framework agreement.

8. Background reading/external references

- 8.1 N/A

9. Appendices

- 9.1 Appendix: Summary of Tendering and Tender Evaluation Processes

Contract	CT2530 Adoption of Framework to provide an Online Booking Service for Emergency Accommodation for Homelessness Services	
Contract Period	The Framework expires on 28 February 2021 with an option to extend for twelve months.	
Estimated Total Contract Value (including extensions)	£560,000 annually based on historical volumes	
Procurement Route Chosen	Direct award to Lot 2 Online Accommodation of the Crown Commercial Services Public Sector Travel & Venue Solutions Framework	
Call off Contracts to be Awarded	1	
Price / Quality Split	Quality 20	Price 80

Finance and Resource Committee

10.00am, Thursday, 23 May 2019

Award of Contracts to the Open Framework for Homelessness Accommodation with Support for Adults and Young People

Item number	7.9
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

That the Finance and Resources Committee:

- 1.1 Notes the appointment of 12 providers to the Open Framework for Homelessness Accommodation with Support for Adults and Young people under the Urgency Procedure, paragraph 4.1 of the Committee Terms of Reference and Delegated Functions.
- 1.1 The contract duration will be for 36 months, with an option to extend for a further period of 12 months. Each contract start date will be 17th June 2019.
- 1.2 The total estimated value of call off contracts to the Council, including extensions, is £17,564,828. This may vary based on usage.

Alistair Gaw

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Award of Contracts to the Open Framework for Homelessness Accommodation with Support for Adults and Young People

2. Executive Summary

- 2.1 The City of Edinburgh Council (the Council) has a legal statutory duty to provide temporary accommodation, to people that are homeless, to meet its obligations under Part II of the Housing (Scotland) Act 1987 – Homelessness Provisions.
- 2.2 Around 1,200 people access homeless accommodation with support each year due to their specific needs, there is a need to continue and expand this capacity to meet the needs of homeless people.

3. Background

- 3.1 The Homelessness Prevention Commissioning Plan, approved by the Policy and Strategy Committee on 6 September 2011, set out the need to prevent homelessness wherever possible and where people do become homeless, for services to help people to resolve their homelessness as quickly and effectively as possible.
- 3.2 The contracts used to provide temporary accommodation with support for homeless people have not been tendered since 2003 and have been growing organically in partnership with third sector providers, to try and meet the needs of Edinburgh's homeless population. Therefore, as part of the strategic development which is being overseen by the Council's Homelessness Task Force, it was agreed to re-tender these contracts to ensure that services meet future requirements. This agreement is noted in the Finance and Resources Committee of 23 February 2017.

4. Main report

- 4.1 This framework was awarded under the Council's Urgency Procedure, in order to secure additional supported temporary accommodation, reduce the need for non-contracted spend and to reduce costs to the Council.

- 4.2 The procedure states that “If a decision which would normally be made by a Committee requires to be made urgently between meetings of the Committee, the Chief Executive or appropriate Director, in consultation with the Convener or Vice Convener may take action, subject to the matter being reported to the next Committee”.
- 4.3 In September 2017, a Prior Information Notice (PIN) was published on Public Contracts Scotland (PCS) to invite providers or those with an interest in homelessness and support to attend a co-production event.
- 4.4 This event was attended by 25 organisations on 4th October 2017. The purpose of the meeting was to discuss new innovative ways to provide services in a conversation café style format.
- 4.5 After full analysis of the information provided on the day and written opinions submitted from those unable to attend the event, the service area responded with a document called “You said, we did” in April 2018 to ensure all interested parties received feedback.
- 4.6 The service area concluded a service user consultation on 12 March 2018. This comprised of;
- 4.6.1 Questionnaires to cover the range of service users including young people and addictions, accessible through hard copy and online;
 - 4.6.2 Meetings with service users;
 - 4.6.3 Briefings to Strategic Homeless Action Partnership in Edinburgh (SHAPE).
- 4.7 Key feedback from the co-production included; services are still required to work with temporary accommodation services to improve the pathway into homeless accommodation with support; support needs to be tailored to the homeless person requirements within the remit of the service; support is still required to ensure service users gain suitable longer-term accommodation as an outcome. There was also a recognised need for a rapid access accommodation service for those with multiple and complex needs.
- 4.8 In May 2018, providers who noted interest and attended the co-production event were given the opportunity to preview and comment on the new specifications, which were developed to improve services. These comments were addressed, and adjustments were made, where possible, to the specifications.
- 4.9 Once the co-production was complete, a contract opportunity was published via PCS for an Open Framework; which means that the Council can re-open the opportunity on a yearly basis to encourage further capacity building should there be further budget allocation.
- 4.10 As this is a social care service, the tender was published in accordance with the Public Contracts (Scotland) Regulations 2015 with the Light Touch Regime applied.
- 4.11 The framework was split into 6 lots according to the support required;
- 4.11.1 Lot 1; General Homeless Accommodation with Support

- 4.11.2 Lot 2; Rapid Access Accommodation Service
- 4.11.3 Lot 3; Homeless Accommodation with Support (Complex/Multiple Needs)
- 4.11.4 Lot 4; Homeless Accommodation with Support (Young People)
- 4.11.5 Lot 5; Homeless Accommodation with Support for Veterans
- 4.11.6 Lot 6; Homeless Accommodation with Support for Move on Flats
- 4.12 Bids were received from 12 providers. All tenders received 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. Details of the Evaluation criteria can be found in Appendix 1.
- 4.13 All providers were assessed as meeting the quality criteria and the price was based on the proposed rate for support per individual per week. Scoring breakdown is detailed in Appendix 2.
- 4.14 Please note, allocation of the 'call off' contract to each provider will not be based solely on ranking but also on the service user's specific needs, existing provision and the capacity available from providers.
- 4.15 The designated Contract Manager from Safer and Stronger will be responsible for monitoring delivery and reporting on Community Benefits by the individual providers.

5. Next Steps

- 5.1 Subject to approval, the services will commence on 17 June 2019 and assist the Council to meet its statutory obligations with regards to the provision of accommodation for homeless people with support needs.
- 5.2 All providers have been kept informed throughout this process and are aware that award of contract is dependent upon committee approval.
- 5.3 The open framework opportunity may be re-opened on a yearly basis. This will be dependent on circumstances, for example if there is a new provider on the market or a new offer from established providers and / or if there is a better model of provision within the lots.

6. Financial impact

- 6.1 The providers have agreed to a fixed pricing structure for a minimum of three years. The benefit of this will be easier contract management, clearer expectations and greater financial stability for providers.
- 6.2 The proposals from all providers will result in increased expenditure, however this will be offset by a reduction in temporary accommodation costs as a result of the

increase in the number of homeless accommodation with support places being commissioned.

- 6.3 Satisfactory financial assessments have been completed for all providers.
- 6.4 All providers will be expected to provide Community Benefits as per their tender submissions.
- 6.5 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

7. Stakeholder/Community Impact

- 7.1 Stakeholders have been involved in this process. Please refer to main body for full explanation of stakeholder involvement within the process.
- 7.2 An Integrated Impact Assessment has been completed and all recommendations have been addressed throughout the process.
- 7.3 The contracts with these providers have been mostly established therefore there will be a reduced learning curve (reduced training requirements) with the continuation of the core service, with service expectations now clarified through the redevelopment of the specification.
- 7.4 The outcome of awarding these contracts will be to ensure good quality temporary accommodation with specialised support, which makes better use of resources, reduces the need for Bed and Breakfast and increases the positive and sustainable outcomes for Edinburgh's citizens.
- 7.5 No significant environmental impacts are expected to arise from this contract.
- 7.6 This procurement has adhered to the policy on Sustainable Procurement and Implementing Community Benefits guidance.
- 7.7 The success of these contracts will be measurable against Key Performance Indicators which are detailed within the specifications.

8. Background reading/external references

- 8.1 http://www.edinburgh.gov.uk/meetings/meeting/4131/finance_and_resources_committee

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes
- 9.2 Appendix 2 – Estimated Contract Value and Ranking
- 9.3 Appendix 3 – Spaces Provided

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	CT2273	
Contract Period	3 years with the option to extend by a further 12-month period	
Estimated Total Contract Value (including extensions)	£17,564,828	
Procurement Route Chosen	Open OJEU tender for an Open Framework Agreement	
Call off Contracts to be Awarded	20 call off contracts to 12 providers	
Price / Quality Split	Quality 70	Price 30
	Criteria	Weighting (%)
Evaluation Criterion and Weightings	Service Delivery	30%
	Partnership Working and Communication	20%
	Homelessness Assessments and access to benefits	10%
	Service Delivery Team	5%
	Client Support	10%
	Health and Safety	5%
	Business Continuity	5%
	Added Value	5%
	Community Benefits	5%
	Fair Work Practices	5%

Appendix 2 – Estimated Contract Value and Ranking

Lot 1 – General Homeless Accommodation with Support

Supplier	Quality Score 70/100	Cost score 30/100	100% of Tender to Final Score	Rank	Estimated Annual Contract Award
Y People	59	29.5	88	1	£282,360
Bethany Christian Trust	54	29	83	2	£269,360
Dunedin Canmore Housing	48	30	78	3	£361,390
Crossreach	51	24	75	4	£269,100
Rowan Alba Limited	50	20	70	5	£135,772
Total					£1,317,982

Lot 2 - Rapid Access Accommodation Service

Supplier	Quality Score 70/100	Cost score 30/100	100% of Tender to Final Score	Rank	Estimated Annual Contract Award
The Salvation Army	60	30	90	1	£282,568
Streetwork (UK)	56	17	73	2	£207,168
Total					£489,736

Lot 3 - Homeless Accommodation with Support (Complex/Multiple Needs)

Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	Rank	Estimated Annual Contract Award
Gowrie Care	52	30	82	1	£1,188,166
Bethany Christian Trust BCC	53	28	81	2	£178,048
Bethany Christian Trust HH	51	28	79	3	£133,536
Crossreach	53	27	80	3	No call off at present
Dunedin Canmore Housing	48	26	74	4	No call off at present
Total					£1,499,750

Lot 4 - Homeless Accommodation with Support (Young People)

Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	Rank	Estimated Annual Contract Award
The Rock Trust	59	30	89	1	£194,688
Four Square (Scotland)	56	21	77	2	£347,360
Y People	54	19	73	3	£141,180
Total					£683,228

Lot 5 - Homeless Accommodation with Support for Veterans

Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	Rank	Estimated Annual Contract Award
Scottish Veterans Housing Association	53	30	83	1	£106,600
Total					£106,600

Lot 6 - Homeless Accommodation with Support for Move on Flats

Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	Rank	Estimated Annual Contract Award
The Salvation Army	63	30	93	1	£26,071
Crossreach	55	19	74	2	£30,444
Bethany Christian Trust	52	19	71	3	£130,000
Dunedin Canmore Housing/Barony Housing Association	49	17	66	4	£107,396
Total					£293,911

Appendix 3 – Spaces Provided

Lot 1 – General Homeless Accommodation with Support

Supplier	Number of spaces
Y People	30
Bethany Christian Trust	28
Dunedin Canmore Housing	39
Crossreach	23
Rowan Alba Limited	10
Total	130

Lot 2 - Rapid Access Accommodation Service

Supplier	Number of spaces
The Salvation Army	38
Streetwork (UK)	16
Total	54

Lot 3 - Homeless Accommodation with Support (Complex/Multiple Needs)

Supplier	Number of Spaces
Gowrie Care	115
Bethany Christian Trust	28
Total	143

Lot 4 - Homeless Accommodation with Support (Young People)

Supplier	Number of Spaces
FourSquare	40
The Rock Trust	32
Y People	15
Total	87

Lot 5 - Homeless Accommodation with Support for Veterans

Supplier	Number of Spaces
Scottish Veterans Housing Association	82
Total	82

Lot 6 - Homeless Accommodation with Support for Move on Flats

Supplier	Number of Spaces
The Salvation Army	8
Crossreach	6
Bethany Christian Trust	25
Dunedin Canmore Housing/Barony Housing Association	19
Total	58

Total – 554 spaces

Finance and Resources

10.00am, Thursday, 23 May 2019

Water of Leith Flood Protection Phase 2 Underspend

Item number	7.10
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

- 1.1 Members of the Finance and Resources Committee are requested to note:
- 1.1.1 That the underspend on the Water of Leith Flood Protection Phase 2 capital project has been reverted to the Carriageways and Footways block budget in accordance with the conditions of the original funding approved by Transport and Environment Committee.
 - 1.1.2 The findings previously reported to Transport and Environment Committees on the likelihood of occurrence of a flood event and the responsibilities of the various parties on the operation of the docks, flood risk and siltation at the Water of Leith Basin.
 - 1.1.3 Note that the underspend on the capital project cannot be allocated for river dredging work as this is revenue maintenance and not capital enhancement.

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Finance and Resources

Water of Leith Flood Protection Phase 2 Underspend

2. Executive Summary

- 2.1 Members of the Governance, Risk and Best Value Committee requested information on the underspend on the Water of Leith Flood Protection Phase 2 capital project be brought to this Committee and consideration be given to funding of work at the Water of Leith Basin.

3. Background

- 3.1 The Capital Monitoring 2018/19 Month Nine report was referred to Governance, Risk and Best Value Committee on 19 February 2019 for consideration. The report identified an underspend in the 2018/19 in the Water of Leith Flood Protection Phase 2 project and noted that there was a projected underspend against the completed project. Councillor Munro noted that he was aware of works which may be required at the Water of Leith Basin. The Head of Finance agreed to report back to Finance and Resources on the possibility of the underspend being reallocated to these works.

4. Main report

- 4.1 The Water of Leith Phase 2 capital budget was established at Transport and Environment Committee on 28 October 2014 by reallocating resources from other capital project budgets within Place including the Carriageways and Footways block budget. The report noted that any future underspends should be returned to the block budget.
- 4.2 A projected underspend on the project was reported to the Finance and Resources Committee on 8 February 2018 and the Council meeting on 22 February 2018, approved the transfer of £5m to the North Bridge Refurbishment project.
- 4.3 The projected financial outturn of Water of Leith Phase 2 is an underspend of £1.120m as detailed in Appendix 1.
- 4.4 This further reported underspend will be returned to the Carriageways and Footways block in accordance with the original report to Transport and Environment

Committee and has been earmarked to mitigate pressures including Burnshot Bridge.

- 4.5 The Transport and Environment Committee has considered the impact of the silt levels at the Water of Leith Basin and the Council's obligations at meetings on the 28 October 2014 and 10 August 2017. The Business Bulletin reported to the Committee on 10 August 2017 advised that the study carried out by external consultants, AECOM, had found that the likelihood of the Water of Leith flooding out of the Water of Leith Basin was a 1 in 200 year event and as a result of the findings the Council did not intend to provide defences or dredge this stretch of the Water of Leith.
- 4.6 The consultant's 2017 report noted that the cost of dredging the Basin was estimated at £4m.
- 4.7 The Water of Leith Basin is not in Council ownership but is owned by a private company, Water of Leith 2000. The 2014 report to Transport and Environment Committee advised that the responsibility for siltation rests with the owner.
- 4.8 The Committee should be aware that dredging works do not constitute a capital infrastructure asset and that these works would be of a revenue nature. The underspend against the Water of Leith Flood Protection Phase 2 project could not be reallocated for this purpose.

5. Next Steps

- 5.1 The reversion of the underspend on the Water of Leith Flood Protection Phase 2 project to the Roads and Carriageways capital block budget will be reflected in the rolled forward Capital Investment Programme which will be reported to Finance and Resources Committee following the 2018-19 outturn.

6. Financial impact

- 6.1 There are no financial implications from this report.

7. Stakeholder/Community Impact

- 7.1 A number of meetings were held with The Friends of the Water of Leith Basin and SEPA in respect of the reports previously brought to Transport and Environment Committee referred to in this report,
- 7.2 Consultation was undertaken with SEPA, in relation to flood modelling and forecasting in respect of the reports previously brought to Transport and Environment Committee referred to in this report.

8. Background reading/external references

- 8.1 [Water of Leith Flood Protection Scheme Phase 2 project update](#) Transport and Environment Committee, 28 October 2014
- 8.2 [Capital Investment Programme 2018-19 - 2022-23](#) City of Edinburgh Council, 22 February 2018
- 8.3 [Transport and Environment Committee - 10 August 2017](#) - Item 6.1 Business Bulletin, Transport And Environment Committee, 10 August 2017
- 8.4 [Water of Leith Basin](#) Transport and Environment Committee, 28 October 2014

9. Appendices

Appendix 1 - Water of Leith Flood Protection Phase 2 - Project Budget and Projected Outturn

Water of Leith Flood Protection Phase 2

	£m	£m
Approved Budget		25.48
Reallocated at Council February 2018		<u>-5.00</u>
Revised Budget		20.48
Actual Spend to Period 9	18.68	
Projected Expenditure		
January – March 2019	0.07	
2019/20 - retentions	0.61	
Total Projected Expenditure	<u> </u>	<u>19.36</u>
Projected Underspend		<u>1.12</u>

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Albion Equity Ltd - Disposition of Council's Preference Shares

Executive/routine Executive
Wards
Council Commitments

1. Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 approve disposition of the Council's preference shares in Albion Equity Ltd; and
 - 1.1.2 refer the report to the City of Edinburgh Council for ratification.

Stephen S Moir

Executive Director of Resources

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Albion Equity Ltd - Disposition of Council's Preference Shares

2. Executive Summary

- 2.1 The Council currently holds 350,000 £1 preference shares in Albion Equity Limited which, through its operating company Albion Trust Management Limited, operates the Norton Park and Conference Centre. Following an approach from the Trustees, it is recommended that the Committee grant the request to redeem the Council's shares to facilitate necessary investment in the Centre and contribute positively to the on-going success of this valued community resource.

3. Background

- 3.1 On 30 March 1995, ownership of the former Norton Park Annexe transferred from the Council to the Albion Trust in exchange for receipt by the Council of 350,000 £1 preference shares in Albion Equity Limited. The Albion Trust subsequently converted the property into office accommodation for the voluntary sector, opening in 1998, with twenty current third sector tenants collectively employing around 350 staff. This accommodation has since been supplemented by the creation in the former St Mungo's Church building of a conference centre including a modern auditorium, training suite and eight meeting/breakout rooms. The Norton Park and Conference Centre is run on a social enterprise basis, with any profits ploughed back into the community. On this basis, it is considered that the Council's initial support has played a significant role in the on-going success of the facility.

4. Main report

- 4.1 Following discussions with the Office of the Scottish Charity Regulator (OSCR), the Trustees approached the Council in February 2019 with a view to redeeming the Council's preference shares at their book value of £350,000. After twenty years of operating the shared premises, the building fabric needs to be renewed, with a consequent programme of refurbishment put in place to address this. Phased redecoration will be followed by electrical upgrading, stonework repairs and some internal reconfiguration, with a significant associated cost, with the intention that this work be taken forward by the newly-established Norton Park Scottish Charitable Incorporated Organisation (SCIO). Redemption of the Council's preference shares at this time would unencumber the buildings and add to the Trust's security, allowing the work to be completed by the SCIO under a long-term lease.

- 4.2 Following receipt of the request, the Trust's articles of association have been reviewed to inform consideration of the rights attached to the Council's existing preference shareholding. These shares do not entitle the Council to any annual financial return, albeit in the event of return of assets, either by liquidation or otherwise, preference shareholders would, by extension, receive payment before ordinary shareholders. The Council's preference shareholding also retains modest attendant rights with regard to the company's decision-making processes but there is no Council representation on the Trust's board.
- 4.3 In view of the above, it is recommended that the Council approve the Trust's request but with a stipulation that the premises, and the Trust's wider activities, continue to prioritise support to the third sector and the wider local community through the provision of affordable and accessible office and accommodation facilities.

5. Next Steps

- 5.1 Should members of the Committee approve this recommendation, the request will be referred to Council on 30 May 2019 for ratification and the terms of the share redemption finalised with the Trust.

6. Financial impact

- 6.1 Redemption of the Council's preference shares will result in a one-off General Fund capital receipt of £350,000 in 2019/20. As the Council's shareholding has no attendant financial rights, there is no offsetting loss of income in the current or future years.

7. Stakeholder/Community Impact

- 7.1 Approval of the Trust's request should contribute positively both to the on-going availability of a valued local community resource and to the wider sustainability of the third sector within the city through the provision of affordable and accessible office and conference accommodation.

8. Background reading/external references

None

9. Appendices

None

Finance and Resources Committee

10.00am, Thursday 23 May 2019

Programme Support – Award of Contracts

Executive/Routine
Wards
Council Commitments

Executive

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Notes the actions taken to extend the initial appointment of Turner and Townsend under the Scotland (SXL) Engineering and Technical Consultancy Services Framework to provide programme and project management capability and capacity to support the delivery of Granton Waterfront Regeneration, Active Travel and City Deal West Edinburgh Transport Improvements (CDWETI) and Local Development Plan (LDP) Action Programme, the actions having been taken under the Urgency Procedure (section 4.1 of the Council's Committee Terms of Reference and Delegated Functions); and
 - 1.1.2 Agrees to award short term extensions to these said appointments, in respect of the above-mentioned projects, to a value of £457,400.

Paul Lawrence

Executive Director of Place

Michael Thain

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Finance and Resources Committee

Programme Support – Award of Contracts

2. Executive Summary

- 2.1 In order to provide additional capacity, additional programme and project management support has been commissioned on an interim basis from Turner and Townsend under the Scotland (SXL) Engineering and Technical Consultancy Services Framework.
- 2.2 As per Council Contract Standing Orders, the appointment of a consultant where the services are anticipated to be £25,000 or more, is subject to approval to award from Finance and Resources Committee.
- 2.3 It was necessary to extend these appointments beyond that permitted under the delegated authority available to officers, by use of the Urgency Procedure, as work carried out had exceeded the delegated authority of £25,000 for the appointment of programme and project management services. The decision to extend these appointments was undertaken by the Executive Director of Place, in consultation with the Convener of the Finance and Resources Committee, subject to the matter being reported to the next meeting of the Committee.
- 2.4 These appointments require Committee approval to be extended beyond the date of Committee, to pilot new project management arrangements in Active Travel to the end of December 2019, finalise the next stage of the City Deal West Edinburgh Transport Improvements (CDWETI) by June 2019 and develop the delivery framework and outline business case for the Granton Waterfront Regeneration programme by October 2019.
- 2.5 The cost of the appointments to date, is £278,250, and the cost of these extensions would total £457,400, with the total estimated value of these appointments, inclusive of extensions, £735,650.

3. Background

- 3.1 In 2018/19 Turner and Townsend was commissioned under the Scotland (SXL) Engineering and Technical Consultancy Services Framework to provide additional interim capability and capacity for a number of infrastructure programmes including Active Travel, CDWETI , Local Development Plan (LDP) Action Programme and Granton Waterfront Regeneration.

- 3.2 This work was originally commissioned under delegated authority, but as approval limits would have been exceeded for additional work to be undertaken, the Urgency Procedure (Section 4.1 of the Council's Committee Terms of Reference and Delegated Functions) was used to continue to provide operational capacity until the end of May 2019, and to allow Committee the ability to consider the award of further extensions to these appointments to provide the necessary programme and project management support.

4. Main report

- 4.1 This report seeks committee approval for the extension of appointments to provide additional programme and project management capability, and capacity, on an interim basis to support the delivery of Active Travel, CDWETI and Granton Waterfront Regeneration.
- 4.2 **Active Travel and LDP Local Development Transport Action Plans (LDPTAP):** including a review of existing programme management and planning arrangements and piloting a new approach to programme management to December 2019. This project will complete at the end of December 2019. Thereafter revised programme management arrangements would be finalised, which may include a mix of internal and external resources.
- 4.3 **City Deal West Edinburgh Transport Improvements (CDWETI):** including a review of the current appraisal and prioritisation of projects for City Deal infrastructure funding. This commission will complete in June 2019.
- 4.4 **Waterfront Regeneration (Granton):** including project management support and preparation of preliminary business case to October 2019. This commission will complete in October 2019.
- 4.5 Turner and Townsend were appointed under the Scotland (SXL) Engineering and Technical Consultancy Services Framework . The cost of the appointments under delegated authority and then urgency provisions was £278,250.
- 4.6 A summary of the scope of work associated with each major programme is included within Appendix One.
- 4.7 To complete this work Committee approval is sought to extend the appointments for each project.
- 4.8 For Active Travel and LDPTAP the cost of the extension would be £361,300 to the end of 2019. The value of the projects within the Active Travel Programme is £59million and the budget available for the LDPTAP is £6.500million
- 4.9 For CDWETI the cost of the extension would be £5,500 until June 2019. The value of the City Deal regional infrastructure funding for West Edinburgh is £36million.
- 4.10 For Granton Waterfront Regeneration the cost of the extension would be £90,600 to the end of October 2019. The scope of the total value of the Granton Waterfront Regeneration Programme is under review. However, housing projects by the Council and its RSL partners in the Granton Waterfront regeneration already amount to a value of nearly £200 million.

- 4.11 The Scotland (SXL) Engineering and Technical Consultancy Framework is a national framework which can be utilised by any local authority in Scotland. The Council is an active user of this framework. The awards are direct awards permissible under the terms of the Framework and commissioned via Lot 7 (Project Management Services). The awards demonstrate Best Value and are in the Council's best interests as they enable the planned work on these strategically important infrastructure projects to be completed, at competitively procured framework rates and incorporate learning from the project management of tram and other Council infrastructure projects.

5. Next Steps

- 5.1 Subject to Committee approval, appointment extensions will be put in place with Turner and Townsend for ongoing support to delivery of these programmes, as set out in this report.
- 5.2 The Council successfully executes implementation of the initial programming methodology and progression of the works programmes.

6. Financial impact

- 6.1 The total value of the original appointments was £278,2500, comprising £137,800 for Active Travel and LDPTAP, £52,800 for City Deal Transport Prioritisation and £87,650 for Waterfront Regeneration. Inclusive of extensions, as noted within this report, the total value of the commission is estimated to be £735,650. This will be contained within the overall capital budgets for these projects, within the Place Directorate, and will be funded from a mixture of external funding and realignment of Place Directorate budgets.

7. Stakeholder/Community Impact

- 7.1 Stakeholders and members have expressed concern regarding the delivery of the Active Travel Programme and delays to some active travel projects. The measures recommended in this report will significantly add to the capability and capacity to improve delivery of this programme and allow the service to pilot new approaches to programme delivery.
- 7.2 The CDWETI and prioritisation of projects within it, is a critical first step to taking forward measures to improve regional transport infrastructure under the City Deal programme. Local communities, the business sector and Airport, neighbouring local authorities and the Scottish Government all have an interest in moving transport infrastructure in West Edinburgh forward.
- 7.3 Significant consultation is underway with partners and local communities on the future shape of a regenerated Granton Waterfront which forms a much larger part of the development of the city's coastline. The project will help ensure that the first stage of the development of the development framework is in delivered and an

outline business case is produced which assess costs and the development of a funding strategy.

8. Background reading/external references

8.1 None.

9. Appendices

9.1 Appendix One – Scope of Services.

Appendix 1 – Scope of Services

Active Travel and LDPAP

To May 2019

- Establish project prioritisation of all AT and LDPAP projects including current status of each project and key risks.
- Develop a Master Schedule based on prioritised projects to include project staging.
- Develop the Programme Delivery Plan (PDP) in coordination with the Client Sponsor.
- Develop programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Verify source and validity of all project estimates.
- Support Finance in the creation of a spending profile for the 5-year programme, establishing a cost baseline and a budget.
- Work with Finance and Planning to establish linkage between S75 contributions and LDPAP.
- Compare spending profile against budget availability and identify funding gaps and 3rd party income requirements such as Sustrans.
- Based on the Master Schedule, develop a commercial tracking tool for onward programme management.

To end December 2019

- Provide PMO (Project Management Office) management including the management of the Master Schedule, risk management, commercial management, change management and reporting in accordance with governance structures set out in the PDP. This will require the following support personnel on a part time basis:
 - ✓ Risk Manager
 - ✓ Planner
 - ✓ Commercial Manager
- It will also require a full time PMO Lead who will sit across Active Travel and LDPAP. The PMO Lead will have overall responsibility for the Programme Management Office ensuring the Programme is being managed on time and on budget and meeting all relevant targets and milestones. The PMO Lead will work with the Programme Delivery Manager in identifying key issues and providing any necessary information to support the escalation of matters in a timely manner utilising the agreed governance structures.
- Provide the Programme Delivery Manager to coordinate and manage the Active Travel Programme. In consultation with the client Project Director, the Programme Delivery Manager will provide client direction and instructions, provide leadership support to create an open, honest and positive culture committed to delivering at pace, work with the PMO Lead in identifying key issues and providing any necessary information to support the escalation of matters in a timely manner utilising the

agreed governance structures, and coordinate all work on the Programme ensuring a joined-up approach.

- It is intended that the Programme Delivery Manager role will work alongside a Council resource during the second half of 2019 allowing the Council to adopt the role from the start of 2020.
- Provide Project Managers (PM) to work within the agreed delivery structure. These Project Managers will work on Active Travel and LDPAP to augment the existing Council PM resource.
- As with the Programme Delivery Manager, it is envisaged that these Project Managers will work alongside a Council resource during the second half of 2019 allowing the Council to adopt the roles from the start of 2020.
- We envisage working with the Council to support any necessary recruitment including the scoping and grading of the project management roles and any support required in assessment of candidates.

City Deal West Edinburgh Transport Improvements (CDWETI) To End

- Review CDWETI refresh report and agree selection criteria based on objectives set out in report and affordability.
- Work with the Council to carry out assessment and agree prioritised projects and support Council in agreeing the projects with key stakeholders in WEPF.
- Commence development of an outline Project Initiation Document (PID) in coordination with the Client Sponsor including an advisory delivery strategy for the Programme.
- Develop programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Verify source and validity of all project estimates.
- Review project information to establish level of scope definition and develop high level contracting strategy.
- Finalise business case templates to take projects forward.
- Finalise and manage the Master Schedule based on prioritised projects to include project staging.
- Finalise Project Initiation Document (PID) in coordination with the Client Sponsor including an advisory delivery strategy for the Programme.
- Draft scope of service for advisors.
- Implement programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Based on the Master Schedule, develop a commercial tracking tool for onward programme management.

Granton Waterfront Regeneration

To End May 2019

- Develop the Master Schedule for Granton Waterfront Programme;
- Develop template for the preliminary strategic case;
- Develop the draft Programme Delivery Plan (PDP) in coordination with the Client Sponsor, including the following:
 - Definition of roles, functions and responsibilities within the PMO, detailing resources required.
 - Governance, procedures and terms of reference for Board and Working Groups.
 - Communications and reporting.
 - Baseline Master Schedule and management protocols.
 - Budget, funding and cost management.
 - Risk management.
 - Change management.
 - Stakeholder management.
 - Programme close out and benefits realisation.
- Develop programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme. from End of March 2019

To end October 2019

- Provide Project Director support to the project team and assist in shaping the programme.
- Manage the Master Schedule for Granton Waterfront Programme.
- Manage inputs to the preliminary strategic case.
- Finalise the Programme Delivery Plan (PDP) in coordination with the Client Sponsor, including the following:
 - ✓ Definition of roles, functions and responsibilities within the PMO, detailing resources required.
 - ✓ Governance, procedures and terms of reference for Board and Working Groups.
 - ✓ Communications and reporting.
 - ✓ Baseline Master Schedule and management protocols.
 - ✓ Budget, funding and cost management.
 - ✓ Risk management.
 - ✓ Change management.
 - ✓ Stakeholder management.

- ✓ Programme close out and benefits realisation.
- Implement programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Provide interim PMO support including reporting, risk management, RAD log management, commercial management and programme management.

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

New Build Housing Framework Agreement Lot 1

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 The Finance and Resources Committee is asked to:
- 1.1.1 Approve the award of Lot 1 of the New Build Housing Contractor Framework Agreement to the following six Contractors:
- CBC (Glasgow) Ltd
 - CCG (Scotland) Ltd
 - ENGIE Regeneration
 - John Graham Construction Ltd
 - Hart Builders (Edinburgh) Ltd
 - McTaggart Construction Ltd;
- 1.1.2 Notes that the Framework Agreement is for a period of three years, with the option to extend for a further one year; and
- 1.1.3 Note the total estimated value of contracts, over the maximum four-year period, the Framework Agreement at between £250 million and £400 million.
- 1.1.4 Delegates authority to the Executive Director of Place and the Head of Place Development in line with the Scheme of Delegation for the awarding of contracts which are undertaken using the framework, and notes that these awards will be reported to Finance and Resources Committee under the quarterly procurement report for Awards of Contract.

Paul Lawrence

Executive Director of Place

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E-mail: Tricia.Hill@edinburgh.gov.uk | Tel: 0131 529 3954

New Build Housing Framework Agreement Lot 1

2. Executive Summary

- 2.1 The Council has one of the most ambitious affordable house building programmes in the country with over 1,000 affordable homes under construction and a further 3,000 in design development.
- 2.2 This report seeks the approval of the Finance and Resources Committee to award Lot 1 of the New Build Housing Framework Agreement to six contractors to support the delivery of these new affordable homes. The Framework is expected to deliver a range of benefits; including innovation and modern methods of construction in house building, jobs, apprenticeships and training opportunities as well as support for the local economy.

3. Background

- 3.1 On 24 August 2017, the Council agreed the [Programme for the Capital – The City of Edinburgh Council Business Plan 2017-22](#), including a commitment to deliver 20,000 affordable homes over the next 10 years. It is anticipated that around 10,000 of these homes will be delivered through Council led housing and regeneration with the remaining 10,000 delivered by Registered Social Landlords and private developers.
- 3.2 On 23 March 2017 the Finance and Resources Committee agreed the transfer of 14 sites to the Housing Revenue Account (HRA) for housebuilding and on 23 March 2018 agreed to purchase the National Grid site in Granton to create a pipeline of sites for housing delivery.
- 3.3 On 21 February 2019, the Council approved the five-year [HRA Budget Strategy 2019/20 to 2023/24](#) which includes £677 million of investment to support the delivery of 10,000 homes.
- 3.4 The Council has one of the most ambitious affordable housebuilding programmes in the country and through the Edinburgh and South East Scotland City Region Deal aims to deliver a step change in the supply of new homes across the region. In

order to deliver its commitments, the Council requires to appoint suitably qualified and experienced housing contractors.

- 3.5 The Council's HRA funded house building programme has been growing annually, with around 1,600 homes completed or under construction this year and more than 1,000 homes under construction across the city at Pennywell, North Sighthill, Greendykes, Craigmillar and smaller sites. A further 3,000 homes are at design development stage forming a pipeline programme. This programme includes construction of homes that will be owned and managed by the Council's housing partnership, Edinburgh Living for mid and market rent.
- 3.6 To date the Council has used a variety of procurement routes including accessing externally procured frameworks such as SCAPE and Scottish Procurement Alliance (SPA), individually procured construction contracts as well as Development Agreements to deliver affordable housing and mixed tenure regeneration.
- 3.7 In order to accelerate development and provide greater certainty for the delivery of the pipeline programme, a procurement exercise has been undertaken to establish a house builder framework. The Council procured house builder framework will provide an efficient, competitively tendered route to deliver affordable homes on Council owned sites that have been transferred to the HRA from the General Fund. Consideration is also being given to using the framework to deliver a first phase of affordable homes at Western Villages (Forthquarter) as an early action project within Granton Waterfront.
- 3.8 The Framework is not intended to replace all routes to market. Where the Council is seeking to deliver larger mixed use and mixed tenure projects (including homes for sale) it will be necessary to procure a development partner. The Council has successfully procured development partners to deliver mixed tenure regeneration at Gracemount, Pennywell and North Sighthill and in March 2017 the Finance and Resources Committee agreed to commence procurement for a development partner for the Fountainbridge site.
- 3.9 The anticipated value of the framework (between £250 million and £400 million), reflects both the scale of the Council's own ambitions in relation to affordable housebuilding and the potential affordable housing delivery requirements of our city region partners. The framework may be utilised by named city region partners to deliver affordable housing within the region and, in so doing, will support the delivery of the two key strategic aims for the regional housing programme:
- deliver a step change in the supply of new homes across the South East of Scotland; and
 - deliver a step change in innovation and inclusive growth in the housing and construction sectors.
- 3.10 The pipeline of sites that may be delivered through this programme will allow the contractors to invest in their workforce, offer apprenticeship and training opportunities as well as respond to the need for accelerating new delivery by using modern methods of construction including elements of off-site manufacturing.

- 3.11 All homes built for the Council through the new build housing framework agreement will be done so in accordance with the Council's design guidance. This ensures that Council homes exceed the minimum requirements for standards of sustainability, promote a fabric first approach and support the Council's Sustainability Approach.

4. Main report

- 4.1 The framework has been split into two different Lots. Lot 1 allows for the award of contracts for sites where the Council has already appointed a Design Team (architects, engineers) and allows for the services of that Design team to be transferred across to the contractor. Lot 2 allows for the award of contracts where the contractor takes full responsibility for both designing and building the homes. The procurement exercises for these two lots have been split to allow for the internal team and market to stagger the resources required for the bidding exercises. A further contract award report for Lot 2 will be provided to the Finance and Resources Committee later this year.
- 4.2 Commercial and Procurement Services has conducted the procurement process in accordance with the restricted procedure as set out in the Public Contracts (Scotland) Regulations 2015.
- 4.3 In response to a contract notice published on the Public Contracts Scotland portal and in the Official Journal of the European Union on 4 June 2018, 20 applicants applied to be prequalified to receive an Invitation to Tender (ITT). The prequalification submissions were evaluated by the three members of the evaluation team, against the published selection criteria. The financial and economic standing of the applicants were also evaluated.
- 4.4 Following this evaluation, the top ten ranked applicants were invited to tender. All ten tenderers provided suitable examples of constructing affordable housing projects.
- 4.5 During the tender period, one tenderer withdrew, citing difficulties with resources.
- 4.6 The ITT noted that the Framework Agreement would be awarded based on the most economically advantageous tenders with 70% of the overall score being allocated to quality and 30% allocated to price.
- 4.7 The Framework Agreement formation has a high emphasis on quality to ensure suppliers meet all the necessary standards to create high quality, safe and defect free homes. The Agreement allows for awards to be made on the following basis:
- based on the ranking determined by the tendering process (where price is negotiated via open book cost sharing with the top ranked contractor who has the availability to deliver); and
 - via mini competitions conducted with an emphasis on price on the basis that all contractors have met an acceptable quality threshold.

- 4.8 Tenders were returned in February 2019. These tenders were then evaluated in accordance with the evaluation and scoring criteria set out in the ITT.
- 4.9 A minimum score of 5 out of 10 was set for each individual criterion to ensure that any bidder failing to provide a satisfactory response to any of the published evaluation criteria requested within the tender documentation could be disqualified.
- 4.10 Each criterion was evaluated individually by three officers. On completion of these individual evaluations, a consensus meeting was held, attended by the members of the evaluation team and the procurement lead from Commercial and Procurement Services. Individual evaluation scores were reviewed and debated and a consensus score reached for each qualitative submission. The appropriate weightings were then applied to each of the individual evaluation criteria to arrive at a final quality score out of 70% for each bidder.
- 4.11 The tenderers' pricing submissions were separately evaluated by the project's external cost consultants, David Adamson and Partners. The lowest priced tender received was awarded the maximum score of 30% for price, with the other tender scored on a pro-rata basis against this lowest bid.
- 4.12 The quality scores were then combined with the scores from the price evaluation to derive an overall score for each bidder out of a maximum of 100%.
- 4.13 The scores achieved by each bidder are:

Bidder	Quality Score (70.00)	Price Score (30.00)	Total Score (100.00)	Rank	Recommended Award(Y/N)
CCG (Scotland) Ltd	50.40	29.55	79.95	1	Y
John Graham Construction Ltd	50.05	29.17	79.22	2	Y
CBC (Glasgow) Ltd	47.25	29.47	76.72	3	Y
McTaggart Construction Ltd	49.70	26.20	75.90	4	Y
Hart Builders (Edinburgh)Ltd	46.90	27.53	74.43	5	Y
ENGIE Regeneration	45.50	28.74	74.24	6	Y
Tenderer 7	42.35	30.00	72.35	N/A	N
Tenderer 8	43.75	28.41	72.16	N/A	N
Tenderer 9	42.35	29.14	71.49	N/A	N

5. Next Steps

- 5.1 Following the award of the Framework Agreement for Lot 1 to the listed Contractors, a mandatory 10-day standstill period will commence before entering into Framework Agreements with each Contractor.
- 5.2 The contract award for Lot 2 of the Framework Agreement will be sought at a Finances and Resources Committee later this calendar year.

6. Financial impact

- 6.1 The Lot 1 framework value is expected to be between £250 million and £400 million over the maximum four-year term.
- 6.2 The programme budget for Council house building was agreed as part of the HRA Budget Strategy 2019-2024 on the 21 February 2019.
- 6.3 The Framework will save staff cost and time by removing the need to tender individual projects on the open market or pay access fees for externally managed frameworks (typically between 1% and 3% of the construction value). It will also allow more predictability in the programming of sites with access to suitably qualified and financially stable contractors at a time of economic uncertainty.
- 6.4 Should the framework not be awarded then there is a risk of significant delays to programme spend, delivery and completion of new homes as projects will have to be procured individually.

7. Stakeholder/Community Impact

- 7.1 The Council has a Community Benefits Procurement Programme and as part of the evaluation process contractors have committed to community benefits including:
 - School and college visits;
 - Work placement and apprenticeships;
 - Supply chain opportunities and support for SMEs; and
 - Community engagement and volunteering.
- 7.2 The framework has been developed in collaboration with City Region partners.

8. Background reading/external references

[Acceleration Housing Delivery and Brownfield Regeneration](#)

[Programme for the Capital – The City of Edinburgh Council Business Plan 2017-22](#)

[Housing Revenue Account Budget Strategy 2019 -2024](#)

9. Appendices

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Lot 1 New Build Housing Framework Agreement	
Contract Period	Three years with option to extend by additional 12 months	
Estimated Contract Value (including extensions)	£250M to 400M	
Procurement Route Chosen	Restricted Procedure	
Tenders Returned	9	
Names of Recommended Supplier(s)	CBC Glasgow Ltd CCG Scotland Ltd ENGIE John Graham Construction Hart Construction McTaggart Construction	
Cost / Quality Split	30% Cost	70% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>The Framework Agreement formation has a high emphasis on quality to ensure suppliers meet all the necessary standards to create high quality, safe and defect free homes.</p> <p>The cost assessment at Framework Agreement level requires suppliers to submit capped profit percentage levels and commit to working with the Council on all awards of Business on an open book costing model.</p> <p>The majority of Contract awards within the Framework Agreement shall be based on mini competitions where the competition criteria shall have a stronger emphasis on price.</p> <p>The following quality criteria were assessed:</p> <ul style="list-style-type: none"> Management Team for Framework Agreement (10%) Project Team for Exemplar Project (10%) Project Methodology for Exemplar Project (10%) Project Planning for Exemplar Project (5%) Modernisation & Innovation – Framework Agreement (10%) Defects & Snagging – Exemplar Project (10%) Cost Management – Exemplar Project (10%) Risk Register for Framework Agreement (5%) Risk Register for Exemplar Project (5%) Community Benefits (10%) Sustainable Practices – Framework Agreement (5%) 	

	<p>Sustainable & Environmental Planning – Exemplar Project (5%)</p> <p>Fair Works Practices (5%)</p>
<p>Evaluation Team</p>	<p>Audrey Marchbank – Resource Officer, Place Development (Qualification stage only)</p> <p>Colette McKenna – Development and Regeneration Manager, Place Development (Qualification stage only)</p> <p>David Robertson – Senior Construction Project Manager, Place Development</p> <p>Elise Schneider – Construction Project Manager, Place Development</p> <p>Hazel Ferguson – Senior Construction Project Manager, Place Development</p> <p>David Adamson & Partners</p>

Finance and Resources Committee

10am, Thursday, 23 May 2019

Education and Health & Social Care Transport Framework Agreement

Executive/routine
Wards
Council Commitments [3](#),
[18](#), [34](#)

1. Recommendations

1.1 The Finance and Resources Committee is asked to:

1.1.1 Approve the award of the Education and Health & Social Care Transport Framework Agreement to 66 contractors over four lots.

1.1.2 Approve the total estimated value of contracts, over the four-year period, that shall be awarded under the framework agreement, including extensions, is estimated to be up to £32million. Per lot this equates to:

Lot 1 - £9,600,000.00

Lot 2 - £9,600,000.00

Lot 3 - £9,600,000.00

Lot 4 - £3,200,000.00

1.1.3 Approve the commencement of the framework agreement on 03 July 2019 for a period of three years, with the option to extend for an additional 12 months.

Alistair Gaw

Executive Director of Communities and Families

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Education and Health & Social Care Transport Framework Agreement

2. Executive Summary

- 2.1 This report seeks the approval for the Finance and Resources Committee to award an Education and Health & Social Care Transport Framework Agreement. It is recommended that 66 contractors are awarded onto the framework agreement over four Lots.
- 2.2 The duration of the framework agreement will be three years, with an option to extend for an additional 12-month period.
- 2.3 Over the four-year period the total value of contracts to be awarded under the framework agreement, including extensions, is estimated to be up to £32million. It should be noted that this value may fluctuate depending on duration and demand.

3. Background

- 3.1 The current Framework Agreement for Education and Health & Social Care Transport (Contract Ref: CT0491) ends in July 2019. Fifty One contractors are on the current framework agreement.
- 3.2 The comparatively high numbers of contractors on these framework agreements is necessary to ensure that sufficient capacity is secured to meet demand and that the Council obtains value for money.
- 3.3 The framework agreement is administered by the Council's Travel Hub (formerly Passenger Operations Unit) within the Place Directorate. Approximately 77,000 passenger journeys a year are booked using this framework agreement, primarily for a range of vulnerable people. The primary users of the framework agreement are the Edinburgh Health and Social Care Partnership (EHSCP) and Communities and Families (C&F), including Safer and Stronger Communities (SSC).
- 3.4 The Travel Hub undertook a review of community and accessible transport and engaged extensively with Parent Councils of all Additional Support Needs (ASN) schools in 2017/18.

3.5 The Council is currently undertaking a Travel Demand Management Programme to match requirements, in the context of Communities and Families and the Edinburgh Health and Social Care Partnership with appropriate vehicles.

4. Main report

4.1 The Council published a Prior Information Notice (PIN) on the Public Contracts Scotland (PCS) website on 29 March 2018 and a coproduction meeting was held with interested organisations on 16 April 2018.

4.2 Key insights and outcomes from the consultation and coproduction (3.4 and 4.1 above) informed revisions to the service specification and related procedures and guidance, such as a requirement for drivers and passenger assistants to be trained in customer care and equality requirements by a Council approved training provider.

4.3 The framework agreement contains four lots:

- Lot 1: Vehicle and Driver – Unescorted. No specialist care, or equipment required.
- Lot 2: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required.
- Lot 3: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required for the transport of vulnerable children and adults.
- Lot 4: Out of Authority Routes

4.4 The lotting structure was agreed to align with the needs of groups of service users and tenderers could choose the lots most suited to the services they offer.

4.5 Commercial and Procurement Services (CPS), in conjunction with the service area, undertook a full OJEU tender exercise. On 12 November 2018, the Council published a Contract Notice and Invitation to Tender (ITT) under an Open Procedure, as set out in the Public Contracts (Scotland) Regulations 2015, with a deadline of 7 January 2019.

4.6 The procurement procedure allowed the Council to identify suitable tenders in terms of compliance with the procurement regulations and the service specific mandatory criteria. The mandatory criteria included economic standing, insurance levels, a documented Health and Safety policy and two examples that demonstrated the tenderer has the relevant experience to deliver the services. In addition to the specific mandatory criteria, contractors are required to meet all relevant standards, legislative requirements and statutory provisions related to the delivery of the service. To identify contractors offering Best Value the tender evaluation included an emphasis on quality as well as price, and submissions were assessed on the basis of the most economically advantageous tender. The cost: quality ratio was set to reflect quality criteria pertinent to the delivery of the service at the most economical price, whilst also taking account of the mandatory criteria that had been

set. All lots were weighted 10% quality and 90% price. An overall minimum quality threshold of 40% was applied. Details of the evaluation criteria can be found in appendix one, and the scores and ranking of recommended contractors are detailed at appendix two.

- 4.7 On 27 November 2018 CPS conducted a briefing meeting for potential contractors, held in conjunction with the Travel Hub, to ensure clarity around the requirement and procurement process. The briefing covered the key features of the requirements, background, the procurement timetable, an overview of the tender documentation and practical advice for tenderers.
- 4.8 Prior to the commencement of the formal procurement CPS enlisted the support of the Supplier Development Programme in the delivery of a training session to assist potential tenderers in the use of the Public Contracts Scotland portal, tender procedures and the European Single Procurement Document.
- 4.9 A total of 95 contractors registered interest in the Contract Notice, with tenders received from 68 contractors. Two were deemed as non-compliant, therefore 66 were evaluated as meeting the mandatory qualification criteria.
- 4.10 Evaluation of the technical (quality) content of tenderers' submissions was undertaken by an evaluation panel of Council officers from Place and from Communities and Families, chaired by a Council officer from Commercial and Procurement Services.
- 4.11 Due diligence was undertaken in respect of low quality scores and contractors were required to provide written clarifications to ensure that they would meet related requirements in the specification. These scores may be attributed to an unexperienced tenderer, rather than it be a reflection of the provision to be provided. Additional due diligence shall be undertaken by the Travel Hub, both before and during any call off under the framework agreement, including mandatory training requirements in passenger safety for drivers and passenger assistants.
- 4.12 The Travel Hub will, taking account of the needs of the individual service users, and appropriate vehicle types, allocate business to the highest ranked contractor. Approximately 825 individual contracts for combinations of vehicles and routes will be awarded. The framework agreement includes an option for mini competition where new routes are identified.
- 4.13 The Framework agreement shall be managed by the Travel Hub. They will track benefits and work to monitor Key Performance Indicators for the duration of the framework.

5. Next Steps

- 5.1 Subject to approval, the services will commence on 3 July 2019, and shall allow the Council to meet its commitments for provision of transport for Education and Health & Social Care.

- 5.2 A comprehensive implementation plan will be devised by the Travel Hub to ensure that contracts are in place for the transportation of school pupils and when transport is required to be provided by the Council for service users to access health and social care services. This will incorporate demand management, eligibility and travel allocation panels.
- 5.3 The Travel Hub will produce a contract monitoring report for Health and Social Care and Communities and Families on an ongoing basis.

6. Financial impact

- 6.1 The framework agreement value is estimated at £32million over the four-year period. This figure is based on current capacity requirements and may fluctuate over the term of the framework due to the nature of the service.
- 6.2 The potential for any savings will be dependent on contract usage and shall be monitored over the course of the framework agreement term.
- 6.3 The Council has anticipated an increase of 26% in relation to demand over the coming year, with an additional 140 contracts being required to meet demand. This represents current demography forecasting for children and adults in relation to Mainstream Schools, Additional Support Needs Schools, Adult Social Care – Disability and Older Peoples services, including respite.
- 6.4 Implementation of the new framework agreement allows the required capacity of transport provision to be met with the potential for additional capacity available if required.
- 6.5 The prices offered by contractors are cost effective in comparison to alternative ad hoc transport arrangements.
- 6.6 The increased capacity of lower cost contractors will enhance improved cost control.
- 6.7 Prices shall be fixed for the duration of the contract. However, the Council may review costs and prices on an annual basis (or more frequently if the Council believes a review is necessary in light of rapidly changing market conditions).
- 6.8 Any cost/price review will take into account the views of contractors, service users and any indices that the Council may decide to consider, such as, but not limited to the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) statistics on fuel prices. The Council will then decide, for any specific routes or areas, whether or not to invite contractors to take part in a mini competition for those specific routes or areas and submit revised prices. Any subsequent Contracts will be awarded on the basis of the revised ranking.
- 6.9 The costs associated with procuring the framework agreement are estimated to be between £10,001 and £20,000.

7. Stakeholder/Community Impact

- 7.1 The Travel Hub undertook a review of community and accessible transport and engaged extensively with Parent Councils of all Additional Support Needs (ASN) schools in 2017/18.
- 7.2 The Travel Hub also consulted extensively with practitioners working in Communities & Families and the Edinburgh Health and Social Care Partnership to ensure the needs of vulnerable service users were included in the service specification and tender documentation.
- 7.3 Key insights and outcomes from the consultation and coproduction informed revisions to the service specification and related procedures and guidance, such as a requirement for drivers and passenger assistants to be trained in customer care and equality requirements by a Council approved training provider.
- 7.4 The Travel Hub undertook an Integrated Impact Assessment and updated the service specification to take account of the needs of individuals with protected characteristics as described in the Equalities Act 2010.
- 7.5 Through establishment of the new framework agreement the Council fulfils its duties under Section 51 of the Education (Scotland) Act 1980 and the Schools (Safety and Supervision of Pupils) (Scotland) Regulations 1990. The growth in capacity allows for improved resources in terms of fleet size, diversity and flexibility to meet the Council's transport requirements for both fixed and ad hoc routes. Thereby enabling the Council to achieve continuity of service provision to service users.
- 7.6 The Sustainability Procurement Policy was considered and applied through the review of vehicle emissions. The services to be provided will result in vehicle emissions however the Council utilises specific transport routing software to both reduce travel time, costs and environmental impact. The specification also encouraged the use of more environmentally friendly vehicles. The Council has benchmarked with other Scottish local authorities and has stipulated an age limit of maximum ten years for vehicles to be used on the framework agreement. Accordingly, no vehicle shall be accepted if it is over 10 years since the vehicle was first registered or licenced and no vehicle fitted with a Euro 1-4 engine shall be accepted after 31 March 2020, unless granted an exemption that is approved by the Council.
- 7.7 The Council aims to secure community benefits from all contracts with a value of over £50,000 during the lifetime of the framework agreement. Contractors have signed an agreement to provide community benefits where the total value of contracts awarded to them through the framework agreement exceeds £50,000.
- 7.8 The framework agreement recommended for award 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.

8. Background reading/external references

8.1 Scottish Government guidance:

<http://www.gov.scot/Topics/Education/Schools/Parents/transport/transport-guidance>

8.2 Transport Scotland research:

<https://www.transport.gov.scot/publication/the-costs-and-challenges-of-changing-the-specifications-for-school-transport-in-scotland/>

9. Appendices

9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Process

9.2 Appendix 2 – Suppliers Recommended for Award and Ranking

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Education and Health & Social Care Transport Framework Agreement	
Contract Period	Three years with option to extend by additional 12 months	
Estimated Contract Value (including extensions)	£32,000,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	68 (66 compliant)	
Names of Recommended Supplier(s)	1212 Taxis AAA Coaches Ltd Abbot Travel AC's Taxis Aerial A.B.W. Cabs Ltd Allan's Coaches Limited Allthefours Inc Avalon Scotland Ltd B and G Taxis Blue Bus Ltd Bodyshop Edinburgh T/A Coach Hire Edinburgh Carr Private Hire Ltd CC Taxis Ltd Central Taxis Edinburgh Ltd Charlie Irons Coaches Chauffeur Cars Scotland Chauffeur Drive (Scotland) Ltd Cherry Private Hire City Cabs Edinburgh Ltd City Circle UK Ltd Coulman Coaches Ltd D&C Taxi's DG Transport Duddingston Transport Ltd	GT Travel H&M Ferguson Ltd Hannings Ltd Ian Mycko J & K Private Hire JJC Taxis Ltd JTS Cars Kinnaird Transport Services Ltd L&M Taxis LA Travel M&D Private Hire Masoka Ltd Midland Bluebird Limited / First Scotland East Limited Midlothian Private Hire Taxis Nancy McElhone P&S Transport Prentice Westwood Ltd. Pro Race Scotland T/A Edinburgh Group Transport Ratho Coaches Ltd S&M Pickering Salmonds Mini Coach Hire Ltd SD Travel Scotland Ltd Seven Sevens Cars Ltd, T/A Capital Cars

	E&M Horsburgh Ltd E&R Taxis Edinburgh City Private Hire Ltd Edinburgh Coach Lines Ltd Edinburgh Taxis Ltd Festival Travel (Scotland) Ltd G and E Taxis Ltd G&R Taxis Garrith Graham GT Private Hire	Shandon Travel Ltd Soave Minibus Hire Steven Kane Taxi Service T&C Cabs Transport Innovation Ltd W&K Scott Ltd t/a Alba Coaches WD Taxis Westcroft Travel Ltd WMD Private Hire
Cost / Quality Split	90% Cost	10% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender. The cost: quality ratio was set to reflect that contractors will have met all relevant standards, legislative requirements and statutory provisions related to the delivery of the Service, in addition to the specific mandatory criteria. All lots were weighted 10% quality and 90% price so that contractors met additional quality criteria pertinent to the delivery of the service at the most economical price.</p> <p>Managing Performance – 20%</p> <p>Customer Service – 20%</p> <p>Business Continuity / Contingency Plans – 20%</p> <p>Sustainability and the Environment – 20%</p> <p>Fair Work Practices – 20%</p>	
Evaluation Team	Two Council Officers from Place and one from Communities and Families	

Appendix 2 – Suppliers Recommended for Award and Ranking

Lot 1: Vehicle and Driver – Unescorted. No specialist care, or equipment required.

Vehicle Type: Taxi / Private Hire Car up to 8 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Seven Sevens Cars Ltd, T/A Capital Cars	8.00	90.00	98.00	1
City Cabs Edinburgh Ltd	9.00	87.10	96.10	2
Transport Innovation Ltd	7.50	85.23	92.73	3
Central Taxis Edinburgh Ltd	7.50	75.00	82.50	4
G&R Taxis	4.50	63.98	68.48	5
WMD Private Hire	5.50	62.22	67.72	6
B and G Taxis	4.50	62.21	66.71	7
L&M Taxis	4.50	62.21	66.71	7
D&C Taxi's	4.50	61.09	65.59	8
1212 Taxis	6.50	56.25	62.75	9
Steven Kane Taxi Service	2.50	60.00	62.50	10
M&D Private Hire	5.00	56.74	61.74	11
J & K Private Hire	4.50	56.25	60.75	12
Westcroft Travel Ltd	6.00	54.61	60.61	13
WD Taxis	4.50	53.29	57.79	14
Cherry Private Hire	3.50	53.12	56.62	15
T&C Cabs	5.00	50.52	55.52	16
E&R Taxis	4.00	50.63	54.63	17
GT Private Hire	2.50	43.63	46.13	18
Aerial A.B.W. Cabs Ltd	6.50	39.18	45.68	19
Duddingston Transport Ltd	5.50	39.71	45.21	20
Masoka Ltd	5.50	39.71	45.21	20
Edinburgh City Private Hire Ltd	6.50	34.70	41.20	21
Pro Race Scotland T/A Edinburgh Group Transport	7.00	34.18	41.18	22

Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	33.76	40.76	23
Kinnaird Transport Services Ltd	6.00	34.62	40.62	24
CC Taxis Ltd	5.00	34.77	39.77	25
G and E Taxis Ltd	4.00	35.64	39.64	26
P&S Transport	4.50	35.06	39.56	27
S&M Pickering	6.00	32.14	38.14	28
JTS Cars	4.50	32.93	37.43	29
GT Travel	6.00	29.89	35.89	30
Hannings Ltd	6.50	29.35	35.85	31
Chauffeur Drive (Scotland) Ltd	7.50	28.26	35.76	32
Nancy McElhone	5.50	30.00	35.50	33
AC's Taxis	8.00	27.00	35.00	34
Carr Private Hire Ltd	5.50	28.72	34.22	35
Edinburgh Taxis Ltd	3.50	30.50	34.00	36
Shandon Travel Ltd	4.00	30.00	34.00	36
Avalon Scotland Ltd	5.50	27.44	32.94	37
Soave Minibus Hire	6.00	26.73	32.73	38
JJC Taxis Ltd	6.00	26.32	32.32	39
Ratho Coaches Ltd	9.00	22.52	31.52	40
W&K Scott Ltd t/a Alba Coaches	7.50	22.52	30.02	41
H&M Ferguson Ltd	7.50	19.96	27.46	42
SD Travel Scotland Ltd	7.00	18.62	25.62	43
AAA Coaches Ltd	5.00	20.33	25.33	44
LA Travel	5.00	20.33	25.33	44
Festival Travel (Scotland) Ltd	7.00	16.88	23.88	45
Blue Bus Ltd	5.50	15.88	21.38	46
Garrith Graham	6.00	13.64	19.64	47
Chauffeur Cars Scotland	5.50	12.98	18.48	48

Lot 1: Vehicle and Driver – Unescorted. No specialist care, or equipment required.

Vehicle Type: Mini Bus up to 16 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
S&M Pickering	6.00	90.00	96.00	1
GT Travel	6.00	80.46	86.46	2
Salmonds Mini Coach Hire Ltd	7.00	74.22	81.22	3
Ratho Coaches Ltd	9.00	58.94	67.94	4
W&K Scott Ltd t/a Alba Coaches	7.50	58.94	66.44	5
H&M Ferguson Ltd	7.50	58.06	65.56	6
Avalon Scotland Ltd	5.50	56.57	62.07	7
Pro Race Scotland T/A Edinburgh Group Transport	7.00	54.79	61.79	8
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	54.17	61.17	9
AAA Coaches Ltd	5.00	51.06	56.06	10
LA Travel	5.00	51.06	56.06	10
SD Travel Scotland Ltd	7.00	48.00	55.00	11
Abbot Travel	6.00	46.19	52.19	12
Festival Travel (Scotland) Ltd	7.00	41.25	48.25	13
Allan's Coaches Limited	7.00	39.60	46.60	14
E&M Horsburgh Ltd	7.00	35.75	42.75	15
AC's Taxis	8.00	33.00	41.00	17
Blue Bus Ltd	5.50	34.43	39.93	18

Lot 1: Vehicle and Driver – Unescorted. No specialist care, or equipment required.

Vehicle Type: Accessible Mini Bus

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Chauffeur Drive (Scotland) Ltd	7.50	90.00	97.50	1
GT Travel	6.00	89.47	95.47	2
Salmonds Mini Coach Hire Ltd	7.00	82.75	89.75	3

Carr Private Hire Ltd	5.50	74.87	80.37	4
H&M Ferguson Ltd	7.50	65.86	73.36	5
Avalon Scotland Ltd	5.50	64.17	69.67	6
Pro Race Scotland T/A Edinburgh Group Transport	7.00	62.15	69.15	7
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	61.30	68.30	8
Ratho Coaches Ltd	9.00	59.12	68.12	9
W&K Scott Ltd t/a Alba Coaches	7.50	59.12	66.62	10
SD Travel Scotland Ltd	7.00	54.45	61.45	11
AC's Taxis	8.00	37.43	45.43	12
Festival Travel (Scotland) Ltd	7.00	37.43	44.43	13
E&M Horsburgh Ltd	7.00	35.71	42.71	14

Lot 1: Vehicle and Driver – Unescorted. No specialist care, or equipment required.

Vehicle Type: PCV 17 to 35 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Charlie Irons Coaches	6.50	90.00	96.50	1
H&M Ferguson Ltd	7.50	59.92	67.42	2
Festival Travel (Scotland) Ltd	7.00	52.90	59.90	3
Salmonds Mini Coach Hire Ltd	7.00	52.86	59.86	4
Pro Race Scotland T/A Edinburgh Group Transport	7.00	51.44	58.44	5
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	51.14	58.14	6
Abbot Travel	6.00	51.04	57.04	7
Prentice Westwood Ltd.	7.00	47.91	54.91	8
Ratho Coaches Ltd	9.00	45.66	54.66	9
W&K Scott Ltd t/a Alba Coaches	7.50	45.66	53.16	10
AAA Coaches Ltd	5.00	44.93	49.93	11
LA Travel	5.00	44.93	49.93	11
E&M Horsburgh Ltd	7.00	31.95	38.95	12

AC's Taxis	8.00	28.92	36.92	13
Allan's Coaches Limited	7.00	28.92	35.92	14
SD Travel Scotland Ltd	7.00	27.99	34.99	15
Blue Bus Ltd	5.50	26.29	31.79	16
Midland Bluebird Limited / First Scotland East Limited	7.50	19.28	26.78	17

Lot 1: Vehicle and Driver – Unescorted. No specialist care, or equipment required.

Vehicle Type: PCV 36 to 55 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Charlie Irons Coaches	6.50	90.00	96.50	1
Festival Travel (Scotland) Ltd	7.00	55.65	62.65	2
Salmonds Mini Coach Hire Ltd	7.00	53.91	60.91	3
H&M Ferguson Ltd	7.50	46.35	53.85	4
Abbot Travel	6.00	45.63	51.63	5
Prentice Westwood Ltd.	7.00	42.67	49.67	6
Ratho Coaches Ltd	9.00	39.68	48.68	7
AAA Coaches Ltd	5.00	42.82	47.82	8
LA Travel	5.00	42.82	47.82	8
W&K Scott Ltd t/a Alba Coaches	7.50	39.68	47.18	9
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	39.68	46.68	10
Pro Race Scotland T/A Edinburgh Group Transport	7.00	38.03	45.03	11
E&M Horsburgh Ltd	7.00	32.38	39.38	12
AC's Taxis	8.00	30.42	38.42	13
Allan's Coaches Limited	7.00	28.52	35.52	14
SD Travel Scotland Ltd	7.00	23.70	30.70	15
Midland Bluebird Limited / First Scotland East Limited	7.50	18.62	26.12	16
Blue Bus Ltd	5.50	20.28	25.78	17
City Circle UK Ltd	6.50	18.07	24.57	18

Edinburgh Coach Lines Ltd	7.00	16.59	23.59	19
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Lot 1: Vehicle and Driver – Unescorted. No specialist care, or equipment required.

Vehicle Type: PCV 56 or more Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Charlie Irons Coaches	6.50	90.00	96.50	1
Festival Travel (Scotland) Ltd	7.00	61.19	68.19	2
Salmonds Mini Coach Hire Ltd	7.00	55.53	62.53	3
H&M Ferguson Ltd	7.50	45.82	53.32	4
Prentice Westwood Ltd.	7.00	42.45	49.45	5
Ratho Coaches Ltd	9.00	40.14	49.14	6
W&K Scott Ltd t/a Alba Coaches	7.50	40.14	47.64	7
AAA Coaches Ltd	5.00	42.50	47.50	8
LA Travel	5.00	42.50	47.50	8
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	36.49	43.49	9
Pro Race Scotland T/A Edinburgh Group Transport	7.00	35.84	42.84	10
E&M Horsburgh Ltd	7.00	35.69	42.69	11
Allan's Coaches Limited	7.00	29.51	36.51	12
SD Travel Scotland Ltd	7.00	25.41	32.41	13
Midland Bluebird Limited / First Scotland East Limited	7.50	18.25	25.75	14

Lot 2: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required.

Vehicle Type: Taxi / Private Hire Car up to 8 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Seven Sevens Cars Ltd, T/A Capital Cars	8.00	90.00	98.00	1
City Cabs Edinburgh Ltd	9.00	87.10	96.10	2
D&C Taxi's	4.50	60.83	65.33	3

L&M Taxis	4.50	60.54	65.04	4
B and G Taxis	4.50	60.35	64.85	5
WMD Private Hire	5.50	59.32	64.82	6
G&R Taxis	4.50	60.09	64.59	7
M&D Private Hire	5.00	58.35	63.35	8
1212 Taxis	6.50	56.25	62.75	9
Steven Kane Taxi Service	2.50	60.00	62.50	10
Westcroft Travel Ltd	6.00	54.92	60.92	11
J & K Private Hire	4.50	56.25	60.75	12
Cherry Private Hire	3.50	55.19	58.69	13
T&C Cabs	5.00	52.00	57.00	14
WD Taxis	4.50	51.14	55.64	15
GT Private Hire	2.50	42.84	45.34	16
Duddingston Transport Ltd	5.50	39.71	45.21	17
Edinburgh Taxis Ltd	3.50	41.32	44.82	18
Aerial A.B.W. Cabs Ltd	6.50	38.12	44.62	19
Masoka Ltd	5.50	37.50	43.00	20
Coulman Coaches Ltd	9.00	32.53	41.53	21
Edinburgh City Private Hire Ltd	6.50	34.70	41.20	22
E&R Taxis	4.00	36.64	40.64	23
Kinnaird Transport Services Ltd	6.00	34.62	40.62	24
P&S Transport	4.50	35.53	40.03	25
G and E Taxis Ltd	4.00	35.77	39.77	26
CC Taxis Ltd	5.00	34.77	39.77	26
S&M Pickering	6.00	32.93	38.93	27
JTS Cars	4.50	31.76	36.26	28
Hannings Ltd	6.50	29.35	35.85	29
GT Travel	6.00	29.65	35.65	30
Nancy McElhone	5.50	30.00	35.50	31
Pro Race Scotland T/A Edinburgh Group Transport	7.00	28.42	35.42	32

Chauffeur Drive (Scotland) Ltd	7.50	27.63	35.13	33
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	28.13	35.13	33
AC's Taxis	8.00	27.00	35.00	34
Shandon Travel Ltd	4.00	30.00	34.00	35
Carr Private Hire Ltd	5.50	28.13	33.63	36
DG Transport	4.50	28.80	33.30	37
Soave Minibus Hire	6.00	27.00	33.00	38
Avalon Scotland Ltd	5.50	27.44	32.94	39
JJC Taxis Ltd	6.00	26.32	32.32	40
Ratho Coaches Ltd	9.00	22.44	31.44	41
W&K Scott Ltd t/a Alba Coaches	7.50	22.44	29.94	42
Ian Mycko	5.00	23.68	28.68	43
H&M Ferguson Ltd	7.50	19.96	27.46	44
SD Travel Scotland Ltd	7.00	15.88	22.88	45
Blue Bus Ltd	5.50	16.88	22.38	46
Chauffeur Cars Scotland	5.50	12.98	18.48	47
Festival Travel (Scotland) Ltd	7.00	11.25	18.25	48

Lot 2: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required.

Vehicle Type: Mini Bus up to 16 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Charlie Irons Coaches	6.50	90.00	96.50	1
S&M Pickering	6.00	87.55	93.55	2
GT Travel	6.00	79.05	85.05	3
Ratho Coaches Ltd	9.00	57.04	66.04	4
W&K Scott Ltd t/a Alba Coaches	7.50	57.04	64.54	5
H&M Ferguson Ltd	7.50	56.48	63.98	6
Avalon Scotland Ltd	5.50	55.03	60.53	7
Salmonds Mini Coach Hire Ltd	7.00	51.36	58.36	8

Blue Bus Ltd	5.50	48.15	53.65	9
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	44.75	51.75	10
Pro Race Scotland T/A Edinburgh Group Transport	7.00	43.53	50.53	11
SD Travel Scotland Ltd	7.00	40.55	47.55	12
E&M Horsburgh Ltd	7.00	34.62	41.62	13
AC's Taxis	8.00	32.10	40.10	14
Festival Travel (Scotland) Ltd	7.00	32.10	39.10	15

Lot 2: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required.

Vehicle Type: Accessible Mini Bus

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
DG Transport	4.50	90.00	94.50	1
GT Travel	6.00	85.95	91.95	2
Chauffeur Drive (Scotland) Ltd	7.50	82.92	90.42	3
Coulman Coaches Ltd	9.00	70.31	79.30	4
Carr Private Hire Ltd	5.50	70.31	75.81	5
Ian Mycko	5.00	66.96	71.96	6
H&M Ferguson Ltd	7.50	61.85	69.35	7
Avalon Scotland Ltd	5.50	60.26	65.76	8
Ratho Coaches Ltd	9.00	55.32	64.32	9
Salmonds Mini Coach Hire Ltd	7.00	56.24	63.24	10
W&K Scott Ltd t/a Alba Coaches	7.50	55.32	62.82	11
Pro Race Scotland T/A Edinburgh Group Transport	7.00	49.92	56.92	12
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	49.63	56.63	13
SD Travel Scotland Ltd	7.00	44.40	51.40	14
AC's Taxis	8.00	35.15	43.15	15
E&M Horsburgh Ltd	7.00	33.43	40.43	16

Festival Travel (Scotland) Ltd	7.00	32.45	39.45	17
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Lot 2: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required.

Vehicle Type: PCV 17 to 35 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Charlie Irons Coaches	6.50	90.00	96.50	1
H&M Ferguson Ltd	7.50	53.20	60.70	2
Salmonds Mini Coach Hire Ltd	7.00	51.36	58.36	3
Ratho Coaches Ltd	9.00	40.55	49.55	4
W&K Scott Ltd t/a Alba Coaches	7.50	40.55	48.05	5
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	33.84	40.84	6
Pro Race Scotland T/A Edinburgh Group Transport	7.00	32.37	39.37	7
E&M Horsburgh Ltd	7.00	28.44	35.44	8
AC's Taxis	8.00	25.68	33.68	9
SD Travel Scotland Ltd	7.00	22.66	29.66	10

Lot 3: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required for the transport of vulnerable children and adults.

Vehicle Type: Taxi / Private Hire Car up to 8 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Seven Sevens Cars Ltd, T/A Capital Cars	8.00	90.00	98.00	1
City Cabs Edinburgh Ltd	9.00	87.10	96.10	2
G&R Taxis	4.50	60.39	64.89	3
WMD Private Hire	5.50	57.74	63.24	4
L&M Taxis	4.50	58.08	62.58	5
Steven Kane Taxi Service	2.50	60.00	62.50	6
Westcroft Travel Ltd	6.00	55.86	61.86	7
B and G Taxis	4.50	56.35	60.85	8

J & K Private Hire	4.50	56.25	60.75	9
1212 Taxis	6.50	51.92	58.42	10
D&C Taxi's	4.50	53.62	58.12	11
M&D Private Hire	5.00	53.06	58.06	12
T&C Cabs	5.00	49.19	54.19	13
Cherry Private Hire	3.50	50.59	54.09	14
WD Taxis	4.50	49.39	53.89	15
GT Private Hire	2.50	43.98	46.48	16
Duddingston Transport Ltd	5.50	39.07	44.57	17
Aerial A.B.W. Cabs Ltd	6.50	37.24	43.74	18
Masoka Ltd	5.50	37.50	43.00	19
Coulman Coaches Ltd	9.00	32.53	41.53	20
Edinburgh City Private Hire Ltd	6.50	34.70	41.20	21
Kinnaird Transport Services Ltd	6.00	34.62	40.62	22
E&R Taxis	4.00	36.59	40.59	23
CC Taxis Ltd	5.00	34.77	39.77	24
G and E Taxis Ltd	4.00	35.58	39.58	25
P&S Transport	4.50	35.06	39.56	26
S&M Pickering	6.00	32.93	38.93	27
JTS Cars	4.50	31.76	36.26	28
Hannings Ltd	6.50	29.35	35.85	29
Edinburgh Taxis Ltd	3.50	32.14	35.64	30
Nancy McElhone	5.50	30.00	35.50	31
Chauffeur Drive (Scotland) Ltd	7.50	27.59	35.09	32
AC's Taxis	8.00	27.00	35.00	33
Shandon Travel Ltd	4.00	30.00	34.00	34
Carr Private Hire Ltd	5.50	28.13	33.63	35
GT Travel	6.00	27.30	33.30	36
DG Transport	4.50	28.80	33.30	36
Avalon Scotland Ltd	5.50	27.44	32.94	37

Pro Race Scotland T/A Edinburgh Group Transport	7.00	25.71	32.71	38
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	25.47	32.47	39
JJC Taxis Ltd	6.00	26.32	32.32	40
Ratho Coaches Ltd	9.00	21.95	30.95	41
W&K Scott Ltd t/a Alba Coaches	7.50	21.95	29.45	42
Ian Mycko	5.00	23.68	28.68	43
H&M Ferguson Ltd	7.50	20.49	27.99	44
SD Travel Scotland Ltd	7.00	16.36	23.36	45
Blue Bus Ltd	5.50	14.21	19.71	46
Chauffeur Cars Scotland	5.50	12.98	18.48	47

Lot 3: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required for the transport of vulnerable children and adults.

Vehicle Type: Mini Bus up to 16 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Charlie Irons Coaches	6.50	90.00	96.50	1
S&M Pickering	6.00	87.55	93.55	2
H&M Ferguson Ltd	7.50	58.45	65.95	3
Ratho Coaches Ltd	9.00	53.69	62.69	4
W&K Scott Ltd t/a Alba Coaches	7.50	53.69	61.19	5
Avalon Scotland Ltd	5.50	55.03	60.53	6
Salmonds Mini Coach Hire Ltd	7.00	51.36	58.36	7
Pro Race Scotland T/A Edinburgh Group Transport	7.00	43.04	50.04	8
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	42.80	49.80	9
SD Travel Scotland Ltd	7.00	40.55	47.55	10
AC's Taxis	8.00	32.10	40.10	11
Blue Bus Ltd	5.50	28.53	34.03	12

Lot 3: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required for the transport of vulnerable children and adults.

Vehicle Type: Accessible Mini Bus

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
DG Transport	4.50	90.00	94.50	1
Chauffeur Drive (Scotland) Ltd	7.50	75.87	83.37	2
Coulman Coaches Ltd	9.00	70.31	79.31	3
Carr Private Hire Ltd	5.50	70.31	75.81	4
Ian Mycko	5.00	66.96	71.96	5
H&M Ferguson Ltd	7.50	64.01	71.51	6
Ratho Coaches Ltd	9.00	58.79	67.79	7
W&K Scott Ltd t/a Alba Coaches	7.50	58.79	66.29	8
Avalon Scotland Ltd	5.50	60.26	65.76	9
Salmonds Mini Coach Hire Ltd	7.00	56.24	63.24	10
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	47.46	54.46	11
Pro Race Scotland T/A Edinburgh Group Transport	7.00	47.43	54.43	12
SD Travel Scotland Ltd	7.00	44.40	51.40	13
AC's Taxis	8.00	35.15	43.15	14

Lot 3: Vehicle, Driver and Passenger Assistant. Specialist vehicle and/or equipment may be required for the transport of vulnerable children and adults.

Vehicle Type: PCV 17 to 35 Passenger Seats

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Charlie Irons Coaches	6.50	90.00	96.50	1
H&M Ferguson Ltd	7.50	53.20	60.70	2
Salmonds Mini Coach Hire Ltd	7.00	45.32	52.32	3
Ratho Coaches Ltd	9.00	40.55	49.55	4
W&K Scott Ltd t/a Alba Coaches	7.50	40.55	48.05	5

Pro Race Scotland T/A Edinburgh Group Transport	7.00	32.37	39.37	6
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	32.10	39.10	7
AC's Taxis	8.00	25.68	33.68	8
SD Travel Scotland Ltd	7.00	22.66	29.66	9

Lot 4: Out of Authority Routes

Destinations and originating locations outside the City of Edinburgh Council local authority area

Supplier	Quality Score out of 10%	Cost Score out of 90%	100% of Tender to Final Score	Rank
Bodyshop Edinburgh T/A Coach Hire Edinburgh	7.00	90.00	97.00	1
Pro Race Scotland T/A Edinburgh Group Transport	7.00	90.00	97.00	1
Aerial A.B.W. Cabs Ltd	6.50	70.65	77.15	2
CC Taxis Ltd	5.00	69.23	74.23	3
WD Taxis	4.50	67.50	72.00	4
Coulman Coaches Ltd	9.00	61.93	70.93	5
1212 Taxis	6.50	62.90	69.40	6
Seven Sevens Cars Ltd, T/A Capital Cars	8.00	61.36	69.36	7
Transport Innovation Ltd	7.50	61.36	68.86	8
AC's Taxis	8.00	56.60	64.60	9
Chauffeur Cars Scotland	5.50	58.70	64.20	10
Allthefours Inc	6.00	57.69	63.69	11
Edinburgh Taxis Ltd	3.50	59.17	62.67	12
Abbot Travel	6.00	56.03	62.03	13
GT Travel	6.00	55.45	61.45	14
City Cabs Edinburgh Ltd	9.00	49.09	58.09	15
Cherry Private Hire	3.50	54.00	57.50	16
H&M Ferguson Ltd	7.50	50.00	57.50	16
JTS Cars	4.50	52.83	57.33	17

G&R Taxis	4.50	51.92	56.42	18
Edinburgh City Private Hire Ltd	6.50	49.09	55.59	19
B and G Taxis	4.50	50.94	55.44	20
L&M Taxis	4.50	49.09	53.59	21
Steven Kane Taxi Service	2.50	48.21	50.71	22
D&C Taxi's	4.50	45.76	50.26	23
P&S Transport	4.50	45.00	49.50	24
Kinnaird Transport Services Ltd	6.00	43.14	49.14	25
Duddingston Transport Ltd	5.50	42.78	48.28	26
Salmonds Mini Coach Hire Ltd	7.00	39.58	46.58	27
Westcroft Travel Ltd	6.00	38.57	44.57	28
WMD Private Hire	5.50	38.68	44.18	29
Carr Private Hire Ltd	5.50	38.57	44.07	30
Shandon Travel Ltd	4.00	38.57	42.57	31
SD Travel Scotland Ltd	7.00	35.22	42.22	32
S&M Pickering	6.00	35.53	41.53	33
Avalon Scotland Ltd	5.50	33.75	39.25	34
T&C Cabs	5.00	33.75	38.75	35
GT Private Hire	2.50	33.75	36.25	36
Midlothian Private Hire Taxis	7.00	27.00	34.00	37
Chauffeur Drive (Scotland) Ltd	7.50	25.40	32.90	38
M&D Private Hire	5.00	27.00	32.00	39
Ratho Coaches Ltd	9.00	21.10	30.10	40
Masoka Ltd	5.50	24.55	30.05	41
Hannings Ltd	6.50	23.20	29.70	42
JJC Taxis Ltd	6.00	23.68	29.68	43
W&K Scott Ltd t/a Alba Coaches	7.50	21.10	28.60	44
Nancy McElhone	5.50	16.88	22.38	45
Allan's Coaches Limited	7.00	14.58	21.58	46
Garrith Graham	6.00	5.59	11.59	47

Blue Bus Ltd	5.50	3.86	9.36	48
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Finance and Resources Committee

10.00am, Thursday 23 May 2019

Asset Management Works Programme – 2018/19 Update

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

1.1 That Committee:

- 1.1.1 Notes the positive impact of the Asset Management Works (AMW) Programme on the Council's operational estate, by creating much improved environments for users, particularly primary schools;
- 1.1.2 Notes the expected improvement in asset condition of the operational assets and the benefit it brings to stakeholders;
- 1.1.3 Notes the full budget spend for 2018/19 with an outturn of 121% against budget;
- 1.1.4 Notes the improved risk profile for upgraded properties;
- 1.1.5 Notes the current financial position and overall status of the AMW Programme and the forecast position moving forward; and
- 1.1.6 Notes the main challenges and risks facing the AMW Programme in the future and the measures being taken to mitigate these risks.

Stephen S. Moir

Executive Director of Resources

Contact: Alan Chim, Capital Planning Asset Manager, Property and Facilities Management

E-mail: Alan.Chim@edinburgh.gov.uk | Tel: 0131 469 3338

Asset Management Works Programme – 2018/19 Update

2. Executive Summary

- 2.1 In February 2018, a new five-year Asset Management Works (AMW) Programme to upgrade property condition was approved, running from 2018/19 to 2022/23. This was designed to, first stabilise, and then upgrade the condition of the Council's operational estate to a safe and satisfactory condition and to address the backlog of maintenance issues. This report provides an update on the improvements achieved through the first year of the AMW Programme and its positive impact on the condition of the Council's operational estate.

3. Background

- 3.1 The Council's operational estate has grown organically over the years and is diverse, with assets of different functions, age, design and condition. The AMW Programme has been running since 2012 to upgrade the condition of the Council's operational estate. The volume of buildings, coupled with a history of underinvestment in the Council's building estate has resulted in a complex portfolio of buildings with varying asset conditions. Historical budgets were only able to address priority issues. The situation was compounded by poor asset information covering both the older 'legacy' buildings and new buildings which meant that until recently there has been a lack of management information on the asset condition of the Council's operational buildings and the capital investment needed to bring them to a safe, dry, legal and operable condition.
- 3.2 To improve the Council's management information and forward planning capability, a comprehensive condition survey of the Council's entire operational estate was commissioned and completed in 2017. The outcome of this process was the approval of a total budget of £153m over five years to address the Council's operational buildings asset condition issues and to deliver a new planned preventative maintenance programme.
- 3.3 The AMW Programme was approved in February 2018 with a five-year budget totalling £118.9m to identify, plan, commission and deliver the capital Asset Management works. The financial impact of the programme is covered under section 6 of this report.

4. Main report

- 4.1 The AMW Programme has been developed to achieve two main objectives:
1. To stabilise asset condition and ensure safe, legal and dry assets and 'catch up' on the backlog of maintenance, improving the risk profile for the estate; and
 2. To upgrade and improve the asset condition rating and building user environment of the Council's operational estate.
- 4.2 The first year of the five-year AMW Programme is now complete. Even at this early stage of the programme there are examples of the programme having a positive impact on user environment and asset condition.

Prioritisation of Investment

- 4.3 One of the key measures of success of the AMW Programme, and the achievement of its intended objectives, is the impact on the Council's operational estate asset condition.
- 4.4 The Council uses 'Asset Condition Ratings' on a scale of A to D to assess the asset condition of the Council's operational assets. The ratings align with the Scottish Government's recommended asset condition classification that was devised for the schools estate. The definitions for each of the asset condition ratings are described in Figure 1.

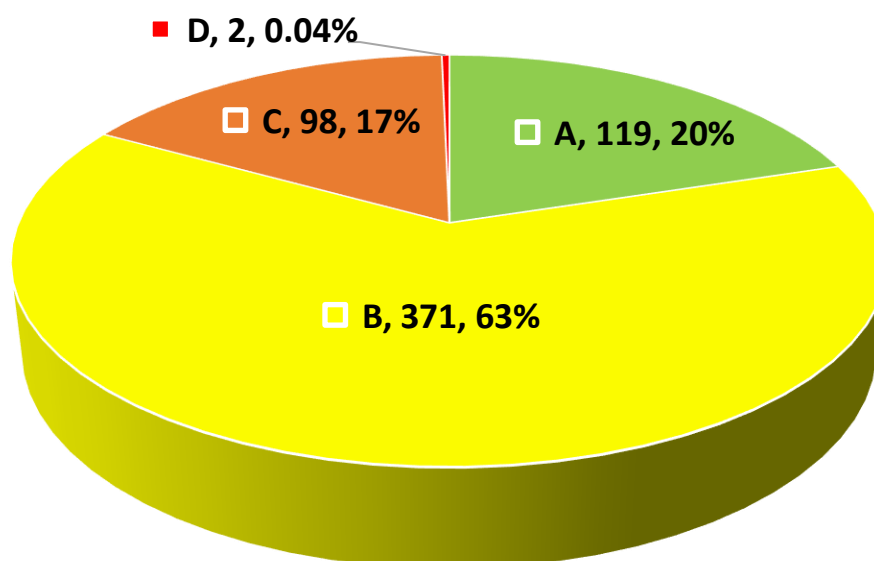
Figure 1- Asset Condition Ratings and Definitions used by the Council

Condition Rating and Percentage Scoring	Condition Definition
A (>85 – 100)	Good- performing well and operating efficiently
B (>60; ≤85)	Satisfactory- performing adequately but showing minor deterioration
C (≥40; ≤60)	Poor- showing major defects and/or not operating adequately
D (<40)	Bad- economic life expired and/or risk of failure

- 4.5 The asset condition ratings are used as part of risk-based approach for future capital planning and investment decision-making. Capital investments are targeted at those buildings/assets with the lowest asset condition ratings. Accordingly, the majority of the buildings in the first year's programme have been C condition (the only D condition buildings, all in the depots estate, are being separately dealt with through the depots review).
- 4.6 Currently, the Council has 590 buildings in its operational estate and the asset condition ratings are summarised in Figure 2, showing the position at the end of

March 2019. 558 of these buildings are maintained by the Council; a further 32 buildings are maintained by third parties under the Council's PPP and DBFM contracts.

Figure 2- Asset Condition Ratings Split for the Council's operational buildings/assets



4.7 In addition, there are 50 buildings operated by Edinburgh Leisure. The service delivery and day to day maintenance of these buildings is the responsibility of Edinburgh Leisure, however, the terms of the current lease allow Edinburgh Leisure to seek contributions from the Council for any major capital upgrade. Provision was made within the programme to cover this obligation. In practice, Edinburgh Leisure manage their own asset management work programme working with the Council who can either carry out the works and/or contribute to ongoing infrastructure works being implemented by Edinburgh Leisure direct.

4.8 2018/19 is the first of the five-year AMW Programme. Many of the works included in the AMW Programme are phased over a period of a few years and therefore improvements in asset condition will not be formalised in the condition scores until the completion of the works, although ongoing improvement is already evident. It is expected that by end of 2019/20, there will be significant improvements in the numbers of condition categories A and B buildings/assets.

18/19 Programme Update

4.9 Despite the Programme having to overcome significant mobilisation challenges within a restricted timeframe, a significant number of establishments have been improved, with 27 AMW Programme projects completed in 2018/19. The majority of the works has focused on upgrading primary schools although extensive works were carried out to other operational buildings such as City Chambers. The types of works are varied and are tailored for each building/asset based on its asset condition. Works carried out in 2018/19 range from external fabric enhancement works, such as roof and stonework upgrades; Mechanical and Electrical improvements; internal fabric enhancements and toilet upgrades. A selection of

photographs from some of these completed projects illustrating these upgrades can be found in Appendix 1.

4.10 The volume and scale of the programme requires significant interventions in the building fabric and services for each affected establishment. It has not been possible to restrict this scale of works to the school holidays for the school estate and the work programme has continued over term time. In many instances, the programme for each establishment runs over a two-year period. This has meant that the programme has had to overcome considerable disruption to out of hours activities for some schools, with the Council actively seeking solutions with affected parties through the School Lets team of Communities and Families to find alternative venues for the duration of the works. However, the benefit of the short term disruption can already be seen in the quality of the long term environmental improvements.

4.11 The 'Top 10' ongoing and completed AMW Programme project sites in terms of the highest capital spend, in the order of the highest spend are indicated in Figure 3, focussing on the primary school estate.

Figure 3- Top 10 ongoing and/or completed AMW Programme sites by highest capital spend

Top 10 ongoing and/or completed projects by highest capital spend	AMW Project Site
1	Broughton PS
2	Clermiston PS
3	St Mary's (Leith) PS
4	Queensferry PS
5	Balgreen PS
6	St Ninians RC PS
7	Ratho PS
8	Leith PS
9	Buckstone PS
10	James Gillespie PS

19/20 Programme

4.12 In 2019/20, the planned status of the AMW Programme is as follows:

1. 45 projects will commence or will be ongoing in 2019/20; and
2. 35 projects are scheduled for completion in 2019/20.

4.13 The 'Top 10' planned AMW Programme projects in terms of the highest capital spend, in the order of the highest spend are indicated in Figure 4, and continues the priority of addressing the schools estate, primarily primary schools.

Figure 4- Top 10 planned AMW Programme sites by highest capital spend

Top 10 planned AMW projects by highest capital spend	AMW Project Site
1	Echline PS
2	Trinity PS
3	Gracemount PS
4	Queensferry PS
5	Murrayburn PS
6	Balgreen PS
7	Clermiston PS
8	Liberton PS
9	Fox Covert PS
10	St Thomas of Aquin's HS

- 4.14 There are presently 19 projects commissioned for C-rated assets, 71 commissions for B-rated assets and 3 for A-rated assets (which are for enhancements with potential health and safety implications - e.g. Mechanical and Electrical improvements).
- 4.15 The 19 projects commissioned for the C-rated assets will lead to a reduction of C-rated assets (currently 98 numbers) upon completion of the works and almost all of the 98 C-rated assets are either already included in the 2018/19 AMW programme or will be included in the 2019/20 AMW programme of works.
- 4.16 It is forecast that by 2010/21, almost all the buildings/assets targeted for capital investment will be in the B-rated satisfactory condition category. Focus will then be to ensure that buildings do not subsequently deteriorate into C condition.

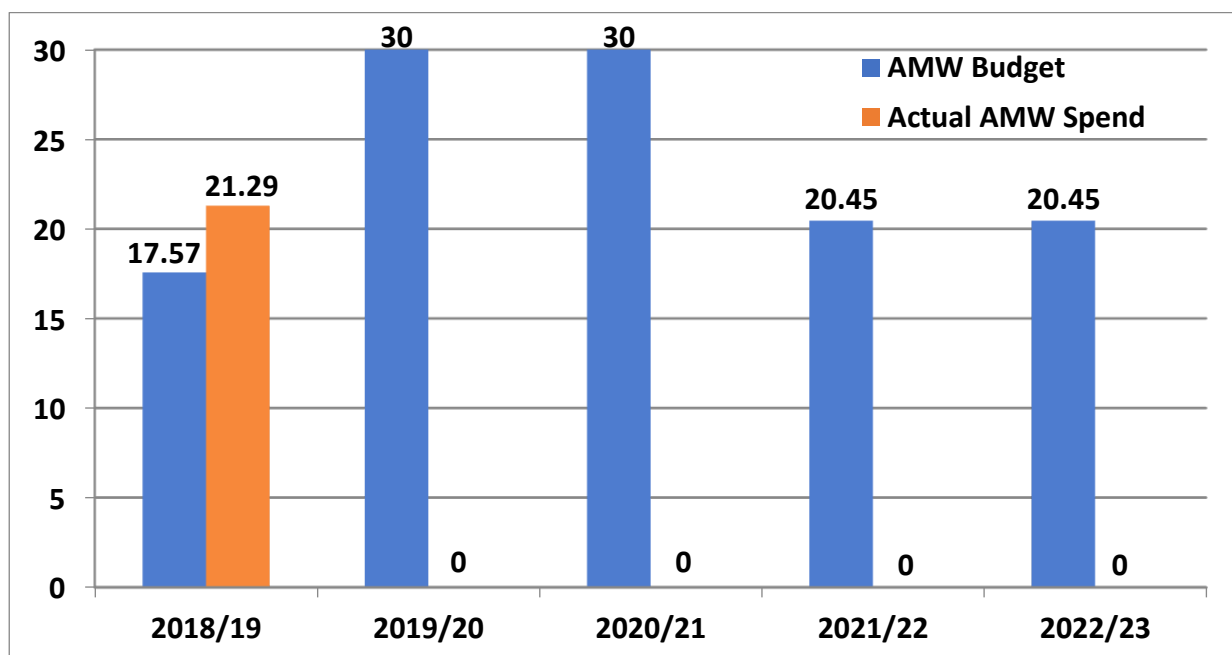
5. Next Steps

- 5.1 Considerable preparation for the 19/20 programme has already taken place, with the new projects being commissioned in September 2018, and design development of individual projects well underway. Enabling works commenced in many establishments over the Easter holiday period. The next significant window for disruptive works will be the summer holidays, although many projects are continuing over the course of the year, where they can co-exist with an operational school environment.
- 5.2 Steps have already been taken by the project delivery teams with respect to the required increase in resources to cater for the considerable uplift in the budget and volume of capital works. An additional supply chain for the delivery of the 2019/20 works has been engaged and two new Project Managers have been appointed. In addition, there will be a greater emphasis on the utilisation of working outside normal office hours such as increased working during the evening and at weekends. The delivery progress will be closely monitored for the duration of the AMW programme, especially for the next two years when the capital budgets will increase substantially to £30m per annum.

6. Financial impact

6.1 The cost profile for the five-year AMW Programme (approved budget and actual spend) is summarised in Figure 5.

Figure 5- AMW Programme Cost Profile: Approved Budget vs. Actual Spend

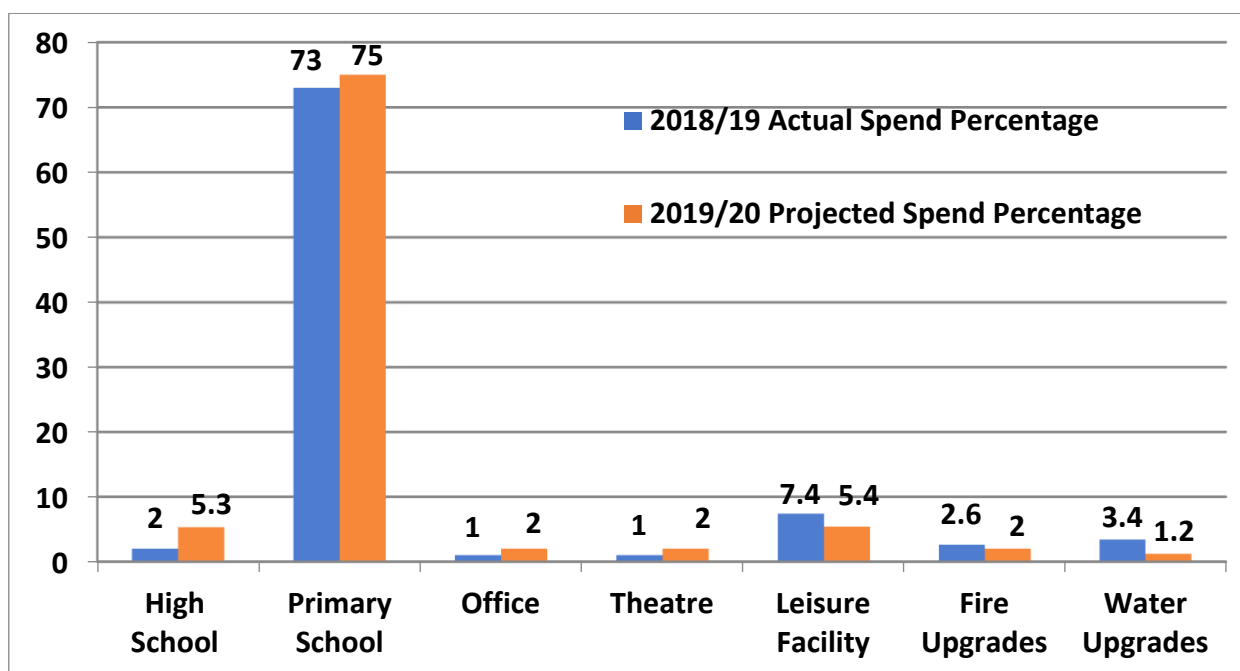


6.2 The total AMW Programme budget for the five-year period is £118.47m. This includes the additional £48.9m capital allocation that was approved in February 2018. The actual capital spend under the AMW Programme in 2018/19 is £21.29m. This is 121% of the approved 2018/19 budget of £17.57m.

6.3 The main focus of the AMW Programme based on building/asset type in 2018/19 and 2019/20 is primary schools, with 73% (in 2018/19) and 75% (in 2019/20) of the AMW Programme costs being spent on primary schools.

6.4 The breakdown for the AMW Programme 2018/19 actual spend and the 2019/20 projected spend based on building/asset type is indicated in Figure 6.

Figure 6 - AMW Programme 2018/19 Actual Spend and 2019/20 Planned Spend by Asset Type



- 6.5 The main challenge and financial risk for the AMW Programme for the next two years is the significant increase in budget to £30m for both 2019/20 and 2020/21. The increased budgets in these years will place pressure on the Council teams to deliver the increased volume of works, with a risk of potential under-spend in these years.
- 6.6 To mitigate the risk of capital under-spend, measures are already being taken to increase the capacity for delivery; such as greater use of evening and weekend working, greater use of term time working, the use of decants for school works and the engagement of an additional supply chain to deliver the works. The Council's Capital Projects delivery resources have also increased with the appointment of two new Project Managers.

7. Stakeholder/Community Impact

- 7.1 It is expected that the AMW building upgrade Programme, along with the recently introduced Planned Preventative Maintenance Programme, will significantly reduce the risk profile associated with operational estate, currently one of the Council's top risks.
- 7.2 Besides the improvements in asset condition, the AMW Programme has other associated benefits which will ultimately benefit affected stakeholders and local communities; such as:
1. Improved environment and ambience for building users.
 2. Improved asset resilience and future proofing of asset condition.
 3. Reduction in health and safety incidents.

4. Reduction in risk of unplanned closures of operational buildings.
5. Improved operating and thermal efficiency of buildings, thereby reducing the Council's running costs and carbon footprint respectively.

7.2 With the main focus of the 2018/19 AMW Programme works being on primary schools, and with this trend continuing in 2019/20, the main impact of the AMW Programme on the stakeholders and the community so far has been during the works delivery phase. To ensure the works are delivered in a safe manner and that school disruptions are kept to a minimum (including any affected after-school activities), regular coordination meetings are being held with Communities and Families representatives and there is constant dialogue and communications with the affected school's Head Teacher and Business Manager. The programme has displaced community users outwith school hours and the Communities and Families School Lets team have been in dialogue with affected users to offer alternative venues. The provision of breakfast clubs and after school care has been safeguarded to protect continuity of provision.

8. Background reading/external references

8.1 Please refer to:

1. [Item 7.3 – Outcome of Property Condition Surveys \(23rd January 2018 Finances and Resources Committee paper\)](#)
2. [Item 7.9 – Property Condition Project- Delivery Programme \(27th March 2018 Finances and Resources Committee paper\)](#)

9. Appendices

Appendix 1: AMW Programme- Examples of 'Before' and 'After' photographs for completed projects.

Appendix 1: AMW Programme- Examples of 'Before' and 'After' photographs for completed AMW projects

Photograph of Clermiston PS roof before enhancements



Photograph of Clermiston PS roof after enhancements



Photograph of Clermiston PS external facade before enhancements



Photograph of Clermiston PS external facade after enhancements



Photograph of St. Ninians PS interior before enhancements



Photograph of St. Ninians PS interior after enhancements



Photograph of Leith PS Infants Toilets before enhancements



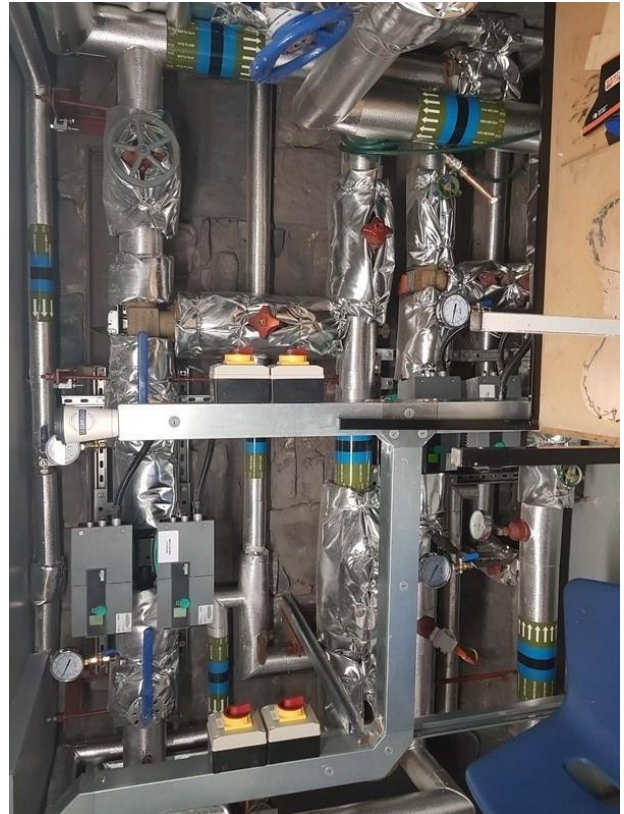
Photograph of Leith PS Infants Toilets after enhancements



Photographs of Preston St. PS Boilers before and after enhancements



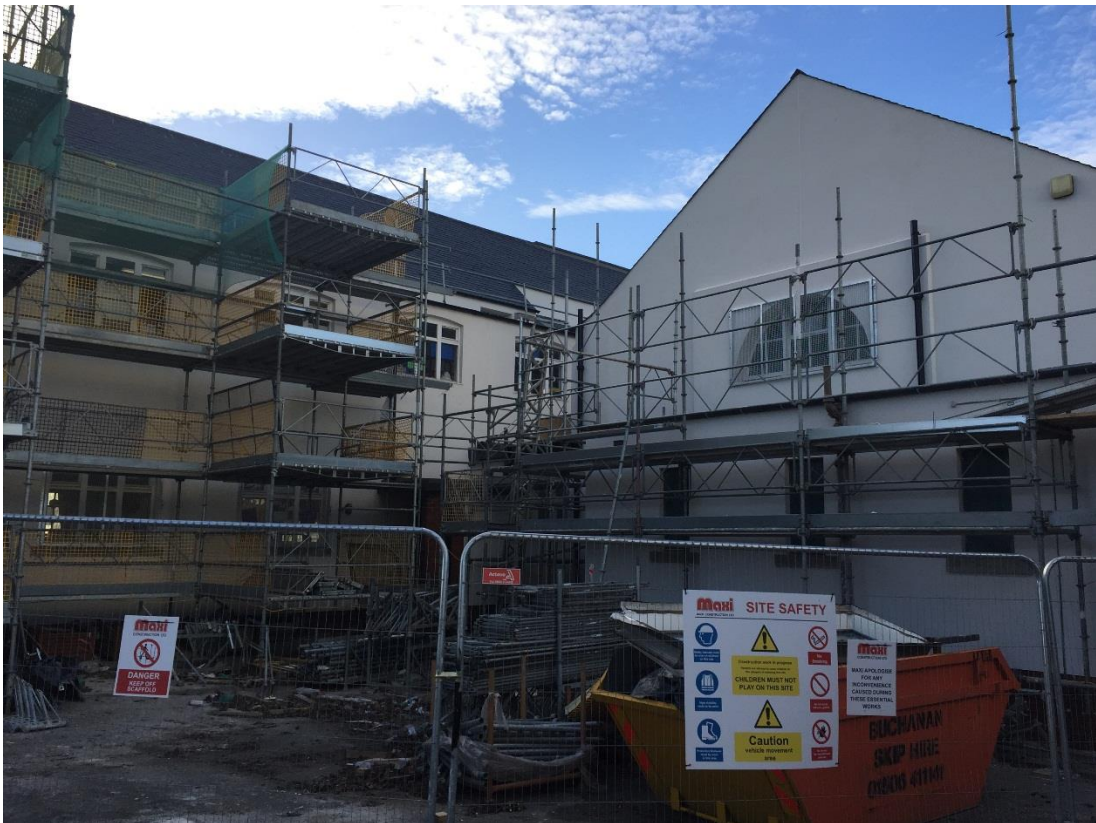
Photographs of Preston St. PS Boilers before and after enhancements



Photograph of St. Marys PS Roof before enhancements



Photograph of St. Marys PS Roof during enhancements



Photograph of Pilrig Park gym hall before enhancements



Photograph of Pilrig Park gym hall after enhancements



Finance and Resources Committee

10:00am, Thursday 23 May 2019

Edinburgh Shared Repairs Service Progress Report – Financial Year 2018/2019

Item number	7.16
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

- 1.1 That Committee:
 - 1.1.1 Notes the update on the progress of Edinburgh Shared Repairs Service (ESRS) in the financial year 2018/2019;
 - 1.1.2 Notes the performance summary Appendix 1; and
 - 1.1.3 Note the examples of Customer Feedback in Appendix 2;

Stephen S. Moir

Executive Director of Resources

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Edinburgh Shared Repairs Service Progress Report – Financial Year 2018/2019

2. Executive Summary

- 2.1 This report provides details on the operational progress of the Edinburgh Shared Repairs Service (ESRS) for the financial year 2018/19.

3. Background

- 3.1 The new ESRS became fully operational in 2017. The financial year 2018/19 was the first full year of operation and this report gives an overview of performance during that period.

4. Main report

Service Operation

- 4.1 The implementation of the new process for ESRS to share absent owners' details with the lead owner in tenements has been reviewed by the Information Governance Unit (IGU) and approved by the Head of Property and Facilities Management. IGU commended the robust nature of the proposed process, which is ground-breaking being the first for any Local Authority in Scotland. This has removed one of the obstacles many owners face when arranging common repairs. The process has been implemented, staff have been trained and the website information is live.

Communications

- 4.2 The Spring 2019 communications plan for the Service is currently underway. This plan included 100 lamp post wraps, leaflet drops to 16,000 tenement flats in hot spots of the city, social media posts on Facebook and Twitter, digital ads and radio advertising. There has been a significant increase in website downloads as a result.
- 4.3 The ESRS manager attended a further meeting of the Parliamentary working group on Maintenance of Tenement Scheme Property (WG) in March. This follows publication of the draft recommendations and a consultation period. The next step is

to formally submit the WGs' final recommendations to the Housing Minister for a debate in parliament later this year.

- 4.4 The ESRS Manager and the Convener of the Finance and Resources Committee also attended the Tenement Action Group meeting in March which feeds into the WG.
- 4.5 The ESRS manager has delivered presentations at the Chartered Institute of Housing Annual conference in Glasgow, the Scheme of Assistance forum of Scotland's Housing Network and a Home Energy Scotland Landlord event. In partnership with Under One Roof, ESRS officers had a stall and delivered a presentation to Landlords at an event in the Grassmarket. Several more events are scheduled throughout the coming year including an event for both tenement owners and Edinburgh school children at City Chambers on 13 and 14 May.

ESRS Workload Update

- 4.6 The total number of cases in ESRS has reached 196. Of the 196 cases, 44 are open and 152 have been closed, with successful intervention on 141 cases and 11 completed projects. Successful intervention represents 72% of the total number of cases. 26 have reached enforcement, representing 13% of all cases.

ESRS Panel Decisions

- 4.7 The Project Panel has taken a total of 53 decisions. A review of the reasons for enforcement action has shown that of the 26 cases, 20 are due to non-engagement between owners including the lack of a lead owner. In six cases, ESRS progressed the case due to Health & Safety concerns and/or previous hand over from the Emergency service.

4.8 ESRS Collaboration with Housing & Place Development

There continues to be ongoing consultation between ESRS and colleagues in Place Development in relation to the delivery of the Mixed Tenure Improvement Strategy. This follows approval of recommendations to the Housing & Economy Committee in January 2019. ESRS have currently agreed to provide the Case Officer support for one project. ESRS are developing a new process for payment of the Council's share of privately arranged common repairs into owners' maintenance accounts using the Missing Share process as a basis.

The Missing Share Scheme

- 4.9 The Missing Shares scheme continues to be popular and invaluable to owners when undertaking common repairs privately. There have been 21 missing share applications received by ESRS in 2018/2019. Tenement repairs in these cases have benefitted 207 owners in total. The value of work enabled privately through the scheme amounts to £711,900. In half of these cases the missing share owner has paid the monies due prior to the Council making the payment which is a positive outcome of the scheme.

Private work enabled by ESRS

- 4.10 The total value of works confirmed by owners as having been completed privately, or in progress, amounts to approximately £1.2m. This is in addition to the value of works for Missing Shares projects. The total value of works enabled by ESRS amounts to approximately £2.2m. The total financial commitment by the Council to date on these cases is approximately £56,800. This amount is recoverable.

The Enforcement Service

- 4.11 Of the total 26 projects enforced, 11 projects have been completed on site and billed out. 15 projects are progressing at different stages through enforcement. Refreshingly, given the inherited legacy issues, there has not been one recorded complaint on the new services' activity in this area.

The Emergency Service

- 4.12 The number of service requests (SR's) in 2018/2019 reached 1,163. The service attended to one incident where a pedestrian received a minor injury due to falling masonry.

ESRS Finance Update

- 4.13 Appendix 1 includes charts to demonstrate overall billing and debt outstanding. This shows that 95% of all invoices issued for all recoverable services have been paid, are in instalment plans or have registered inhibition orders. Of the paid enforcement works invoiced, 87% were paid within three months of billing the owners.

5. Next Steps

- 5.1 The Service will continue to evolve and processes and procedures are reviewed as business as usual through lessons learnt.
- 5.2 Consideration is being given to re-introduce a charge for the provision of outstanding debt information in relation to statutory notices, to solicitors and search companies during the conveyancing process.

6. Financial impact

- 6.1 The forecast budget for ESRS has been reduced to £0.77m for 2019/2020 as approved by the ESRS Board in December 2018, which has allowed ESRS to contribute to the wider budget saving proposals for 2019/20.
- 6.2 The bad debt provision for ESRS for 2018/19 will be re-assessed after the year end.
- 6.3 On 21 February 2019, the Council approved the revised fees and charges for ESRS, these are now implemented for works carried out after 1 April 2019.

7. Stakeholder/Community Impact

- 7.1 Customer feedback is an important tool for ESRS, it allows ESRS to reflect on process and procedure. ESRS has had positive feedback in 2018/19, appendix 2 includes examples of feedback received by the service.
- 7.2 The Scottish Government Consultation is now open for Short Term Lets, the consultation can be accessed by the link below:
<https://www.gov.scot/publications/short-term-lets-consultation-regulatory-framework-scotland/>
- 7.3 A report to Corporate Policy and Strategy Committee, on 14 May 2019, provides an update on the Councils position in relation to Short Term Lets. The report includes the enforcement action taken by the Council to date and measures being considered to introduce a licensing system and policy changes at a national level.
http://www.edinburgh.gov.uk/download/meetings/id/60692/item_72_-_short_term_lets

8. Background reading/external references

- 8.1 [Report to City of Edinburgh Council, 12 February 2015, Shared Repairs Services -Development of a New Service.](#)
- 8.2 [Report to City of Edinburgh Council 11 December 2014, Shared Repairs Services -Development of a New Service -](#)
- 8.3 [Edinburgh Shared Repairs Service – Missing Share](#) – report to Finance and Resources Committee, 5 September 2017

9. Appendices

- 9.1 Appendix 1: ESRS Annual Performance Slides
- 9.2 Appendix 2: Customer Feedback examples

1

Edinburgh Shared Repairs Service

Edinburgh Shared Repairs Service Performance Update

2018/19 Performance Headlines

- First Local Authority to implement a process to share Absent owners details
- Only Local Authority to be on the Parliamentary Working Group for '*Tenement Maintenance*'
- Consultation with Housing on ESRS model
- No Customer complaints on any enforced project

Examples of Customer Feedback

- '*Great to have a supportive process from our Council.....*'
- '*I wanted to share the appreciation and to remind their members of the fabulous support you offer.....*'
- '*This Service really is so important.....*'
- '*Expectations exceeded and timescales eliminated. scored 5/5.....*'
- '*Your Service was First Class.....*'

2

2018/19 Performance Headlines

Edinburgh Shared Repairs Service

Edinburgh Shared Repairs Service Performance Update

Customers	
Phone Calls	7,077
E-mails	3,924
Solicitor Enquiries	4,995
Total Contacts made	15,996

Website Views & Downloads	
Website Views	52,600
Tenement Toolkit	6,800
Missing Share	7,800

Emergencies Attended	
Masonry Falls	161
Dangerous Roofs	87
Drainage	903
Fire	5
Police	7
Number of Invoices raised	8,700

<u>Missing Shares</u> Applications in 18/19	Total Owners affected	Value of Works enabled by the Scheme	Total Missing Share Owners	Financial Commitment by CEC
21	207	£711,900	27	£32,316

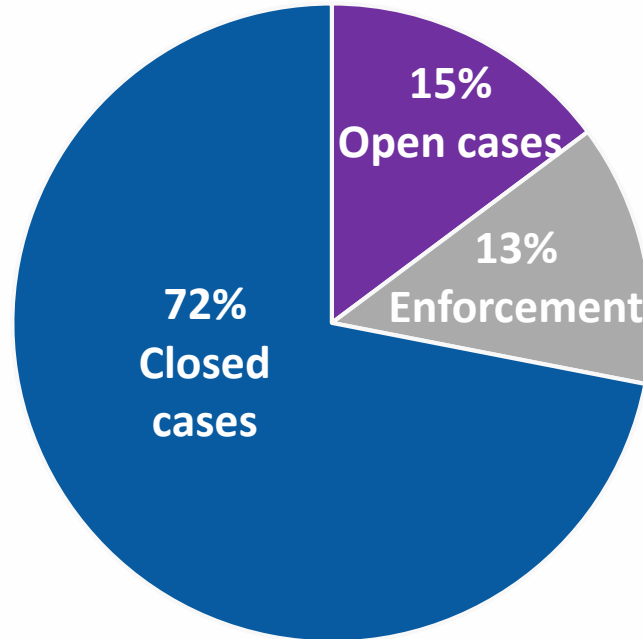
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Overall Performance Headlines

Edinburgh Shared Repairs Service

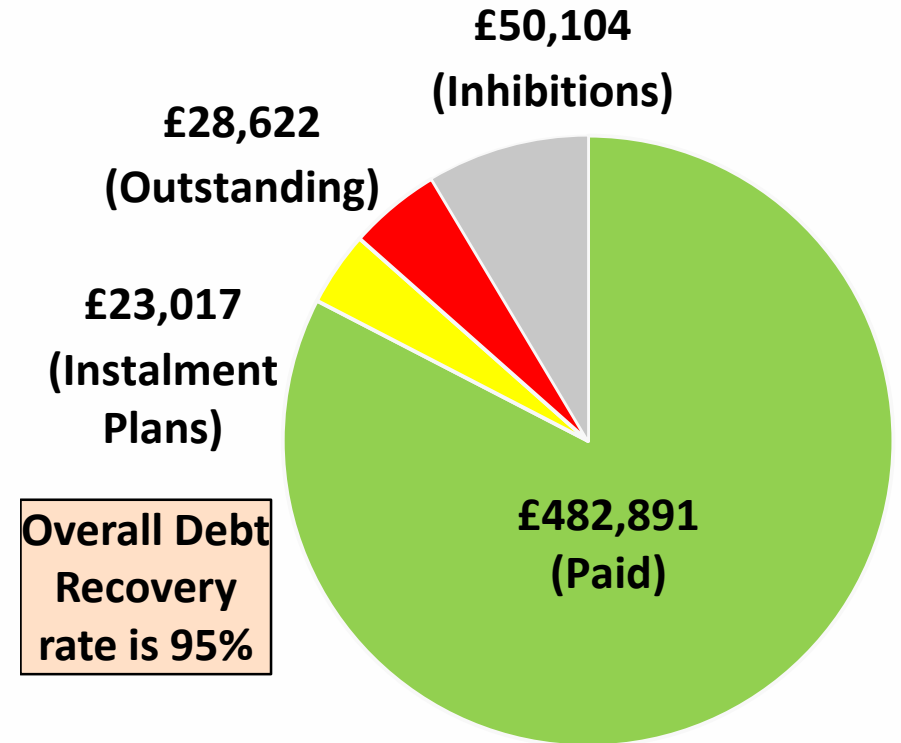
Edinburgh Shared Repairs Service Performance Update

- Open cases (29)
- Enforcement (26)
- Closed cases (141)



Total Case Workload (Sep 15 – Mar 19)

- Paid
- Instalment Plans
- Outstanding



Overall Debt Recovery rate is 95%

All Projects Financial Review
Total Billed £584,634 (Sep 15 - Mar 19)



Appendix 2

Edinburgh Shared Repairs Service

Feedback from Customers 2018-2019



May 2018

Missing Share Scheme

'Now that you have got in touch, I would like to provide feedback for the process with helping us with the missing shares.

We have both been impressed by the process and support you have provided us with.

You have given us very clear information about a complex process (whilst it is now probably as simple as it can be) and been incredibly helpful in doing so.

*It is a really beneficial process for the City of Edinburgh, in that I know from experience, that many joint owners of tenements are happy to put the work into identifying contractors and managing the work themselves, but the fly in the ointment, which is often immovable, is getting the one or two errant non-payers to pay. So this Missing Shares process resolves this. **Great to have a supportive process from our council.'***

November 2018

Intervention Case

*'I wanted to thank you again for helping me to track down landlord details in order to organise a communal roof repair. I completely sympathise with you that under GDPR you are not able to give me landlord personal details, but by going direct to the landlord and speaking to them on my behalf is helping me collect missing payments. Thanks for the signposting to Under one Roof, Simple Procedures Court and the Registers of Scotland. You've made something that was feeling quite daunting, feel light again. Before our call today I was resigned to the fact that I'd have to pay for the missing contributions but now I'm feeling more confident that all money will be collected. I've copied in SAL as I wanted to **share the appreciation and to remind their members of the fabulous support you offer.'***



December 2018
Enforced Project



'We greatly appreciate the support, understanding and interaction of the shared repair team. The team there have done a great job.'

***This service really is so important.** There is a real need to expedite repairs to building in order to protect the building integrity as well as the assets of both the council and private owners.'*

January 2019
Emergency job (dangerous chimney)

*'Originally we discussed factoring roofing issues with the building surveyor engineer (great service on-site). Following on from this we dealt with your planning department who provided fantastic advice and forwarded me to Planning regarding conservation area concerns. All quickly, simply and logically resolved to everyone's satisfaction. **Expectations exceeded and timescale eliminated.**' Scores for all given = 5/5.*

February 2019
Emergency job (drainage)

*'Thank you for the great service you supplied when we had a blocked drain in the rear of our tenement. The Council inspector who came out very promptly was polite, friendly and very thorough, as was the contractor who came out later that evening. The Council gets a lot of negative stuff but **your service was first class**, so thanks again.'*

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Council Commercial Property Portfolio – Update Report

Executive/routine

Wards

City Wide

Council Commitments

[2, 3](#)

1. Recommendations

1.1 That Committee:

1.1.1 Notes the current status of the commercial property investment portfolio; and

1.1.2 Notes the approach and strategy moving forward.

Stephen S. Moir

Executive Director of Resources

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Council Commercial Property Portfolio – Update Report

2. Executive Summary

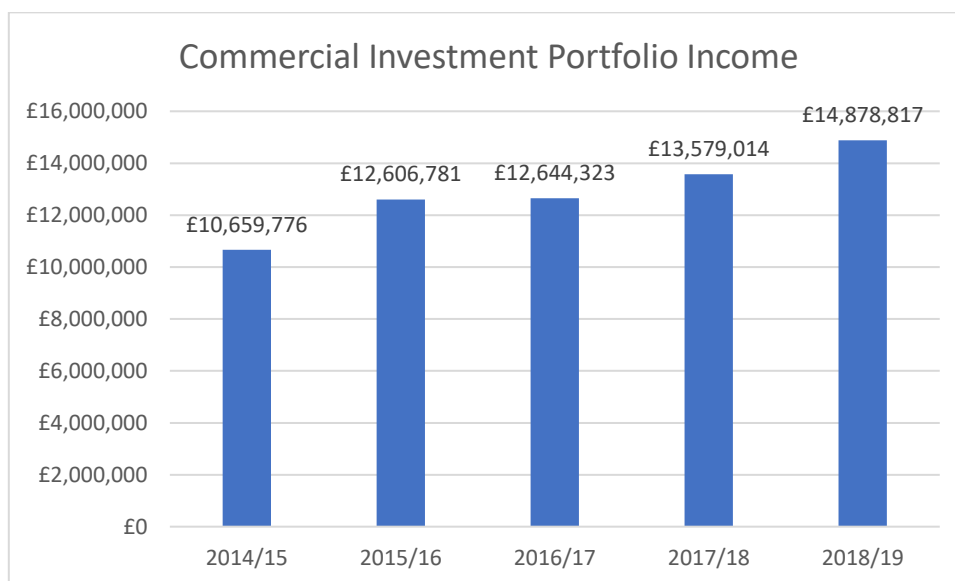
- 2.1 The Council has a large commercial property investment portfolio extending to over 1,150 interests within 10 asset classes.
- 2.2 As at 31 March 2019, the annual income received from the portfolio was £14.88m.
- 2.3 In order to assist with Council budget targets a strategy has been developed to consider the disposal of certain assets in order to reduce borrowing costs or acquire assets which will contribute to an improved net revenue position.

3. Background

- 3.1 The Council owns a substantial commercial investment property portfolio principally comprising of office, industrial and retail properties leased on commercial terms to third party tenants.
- 3.2 The portfolio has grown significantly in the decade due to:-
 - The acquisition of the investment property portfolio of the EDI Group in 2009;
 - The acquisition of the investment property portfolio of Waterfront Edinburgh Limited also in 2009;
 - The acquisition of the HRA investment property portfolio in 2016; and
 - The development of income generating opportunities through direct development and/or utilisation of surplus property assets.
- 3.3 As at 31 March 2019, the portfolio consists of approximately 1,150 interests with an estimated capital value of £200m. In 2018/19 financial year, the portfolio produced a rental income of £14.88m. Properties range from individual ground leases to modern offices, retail units, hotel/public houses and industrial parks.
- 3.4 The portfolio was not originally assembled with the principal aim of creating a commercially driven investment fund. Consequently, the portfolio is very diverse consisting of a wide variety of assets classes, condition and differing levels of return. As such, it is not 'typical' of a standard investment portfolio that would be operated on strict commercial terms.

- 3.5 Historically, some properties are held in support of wider council initiatives, such as economic development, or to provide future development opportunities to assist with meeting council commitments, e.g. change of use to support provision of affordable housing.
- 3.6 The investment portfolio is managed separate from the council’s operational property portfolio which is solely held to provide the infrastructure for council departments to support the operation of the various council services.
- 3.7 As at 31 March 2019, the key aspects of the portfolio are as follows:
- 1,150 interests providing accommodation for over 1,000 businesses;
 - 320 industrial units, 150 retail units, 100 offices, 20 leisure properties (hotel/pubs/restaurants) and in excess of 300 acres of land; and
 - Rental income is spread across the sectors of the portfolio with the key asset classes comprising industrial (37%), retail (16%), offices (16%), car park (11%) and leisure (hotel/pubs/restaurants) 4%.

3.8 Portfolio Performance over the last 5 years has been strong with rental income increasing from £10.66 million in 2014/15 to £14.88 million in 2018/19 as shown in the graph below.



3.9 As part of the Asset Management Strategy approved in September 2015, a target of rental growth of 2.5% per annum for 3 years, reducing to 1.5% thereafter was placed against the portfolio. Through prudent management the target level of growth has been exceeded.

4. Main report

4.1 From a financial point of view, the approach is to ensure that assets within the portfolio are maximised to their full value while placing as much on the lease obligations (insurance, repair etc) onto the tenant. The driving force for this

approach rests with how the Council sets its budget each year. During this process, political groups assume a level of income from the portfolio for the following financial year which, in turn, has a direct impact on the levels of savings that have to be found elsewhere across the Council. On 1 April each year, the Property and Facilities Management Division within the Resources Directorate receives a corresponding deficit budget, which is recouped throughout the year as rents are paid. Consequently, any adverse decision relating to the portfolio, made during the subsequent 12 months, can create a direct budget pressure. For the 2019/20 financial year, the assumed target, inclusive of new assumed income, is £15.125m.

- 4.2 The flexibility as to how the Council strategically manages the portfolio moving forward is restricted for the reasons set out in paragraph 4.1. As such, in order to maintain the strong performance of the portfolio and make use of the opportunity to improve the net revenue position, a three-stage approach will be undertaken that seeks to maximise current income; create new opportunities; and also considers disposals and acquisitions as detailed below.

Income Maximisation

- 4.3 The risk of losing rental income is inherent in any commercial property portfolio and this risk is currently managed by the Investments team, within Property and Facilities Management, as part of business as usual.
- 4.4 Income maximisation seeks to protect and grow the rental income base of the portfolio. Lease events such as expiries or the exercise of tenant break options are likely to result in a loss of rental income unless proactive measures are taken to prevent the loss, or mitigate the impact, by early re-letting. In practice, the following processes and procedures are employed: -
- All new leases, rent reviews and lease renewals are carried out by a small team of RICS Registered Valuers with years of experience in dealing with such matters. Typically, a tenant will appoint a property agent to act on their behalf and therefore a commercial negotiation takes place to establish the new rent and terms;
 - The Council ensures that when a tenant terminates their agreement, they are obliged to allow the Council entry to market the property prior to the lease ended. This ensures that voids are kept to a minimum. When the Asset Management Plan was approved by the Council in 2015, the consultants benchmarked the portfolio against an industry void rate of 7% due to its size and diversity. The actual void rate on the portfolio is running at approx. 2.5%.
 - Vacant property is, in the main, exposed to the market with a predetermined closing date. This ensures that demand is reflected in any subsequent offers, ensuring a competitive process.
- 4.5 The above continues as business as usual for the management of the portfolio and the proactive approach to the identification of lease events (rent reviews/lease expiries) has an impact on the rental income received and mitigates against any impact of any prolonged void periods.

- 4.6 Growing the rental income is achievable through acquisition of new investments, through lease re-structuring or development. The investment strategy places emphasis on actively seeking out opportunities in conjunction with the council's investment advisers.

Identify Additional Opportunities

- 4.7 The Council continues to explore opportunities to reduce the size of the operational property estate through rationalisation and service led design. In previous years, the default position for the majority of surplus assets has been to offer the property to the market for sale.
- 4.8 In recent years, prior to considering the disposal of an asset, each opportunity is considered as an addition to the investment portfolio. The potential for a third party letting of the property and the timescales within which that can be achieved will be analysed and assessed against the potential level of and timing of a capital receipt through a sale.
- 4.9 Other opportunities are considered on their own merits such as the direct development of small industrial units at Sighthill, which now bring in an income of £155k pa; creating additional lettable space within operational properties such as Waverley Court which is in part leased to CGI; and strategic acquisitions such as those referred to in paragraph 3.7.

Disposal/Acquisition Strategy

- 4.10 A key element of the 2019/20 Budget proposals was the use selective sales of the investment portfolio to reduce Council borrowing costs. This would be achieved by the sale of assets which would generate a sufficient level of return to allow a net revenue benefit from using the capital return to reduce existing borrowing.
- 4.11 A number of assets have been identified, which are expected to generate a capital receipt based on a yield of sub 4.5% if offered for disposal. Using the capital receipt to pay down borrowing costs which averages at 6.5% will result in a net revenue saving to the Council on an annual basis. The proposals specifically exclude Royal Mile properties as it was considered that ownership gave the Council the ability to control the use mix over and above its role as statutory planning authority. Any assets to be sold by this approach will be reported to Committee to be considered in its own merits.
- 4.12 Selling such assets will have an impact on the total level of income received from the portfolio but will be balanced against the saving created elsewhere. Therefore, strategic acquisitions will also be considered whereby the receipts from the selective disposals can be used to acquire assets at a higher yield to result in a similar improved net revenue position.

5. Next Steps

- 5.1 The portfolio will continue to be commercially managed with individual proposals presented to Committee, ensuring we maximise the income available to the Council.

6. Financial impact

- 6.1 The Council continues to assume the level of rental income achieved in its budget setting exercise. Therefore, it is important that there is a commercial and consistent approach to the management of the portfolio.

7. Stakeholder/Community Impact

- 7.1 N/A

8. Background reading/external references

- 8.1 N/A.

9. Appendices

- 9.1 N/A

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Changes to the Operational Property Estate: Lifecycle Costs Forecast

Item number	7.18
Executive/routine	
Wards	All
Council Commitments	

1. Recommendations

1.1 That Committee:

- 1.1.1 Notes the current and forecast revenue cost increases associated with new buildings identified in this report;
- 1.1.2 Notes that provision has been included within the Council's financial framework in respect of additional early years, rising pupil rolls, Wave 4 schools and Local Development Plan-related premises running cost expenditure;
- 1.1.3 Notes that the additional revenue cost implications of new, modified or replacement Council properties will continue to be considered as part of all material changes to the corporate estate; and
- 1.1.4 Refers this report to the Education, Children and Families Committee for its information given the scale of the implications generated by this sector of the estate.

Stephen S. Moir

Executive Director of Resources

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Changes to the Operational Property Estate: Lifecycle Costs Forecast

2. Executive Summary

- 2.1 Every change to the Council's operational property portfolio has implications for the construction and running costs for that property over its lifetime. The size of the Council's operational estate is increasing significantly and this is putting pressure on revenue budgets to accommodate these lifecycle costs. This report summarises the overall change since the Council approved its Asset Management Strategy in 2015 and forecasts the ongoing anticipated change to 2022 and notes the funding currently included within the Council's budget framework to recognise these pressures.

3. Background

- 3.1 The Council's Asset Management Strategy (AMS), approved in 2015, was predicated on a decreasing estate size, as the current size is unsustainable within current budgets. However, since that time the estate has continued to increase in size to reflect the city's increasing demographics, and also to update the estate with modern, fit for purpose buildings. This increase is forecast to continue, particularly with the Local Development Plan generating significant pressure on assets, necessitating additional infrastructure to serve it. Conversely, there are very few building closures being pursued.
- 3.2 Traditionally, the Council has focussed more on the capital cost of new build, rather than fully understanding the revenue costs of running the building once complete. Lifecycle analysis shows that the property cost of running a building over its lifetime can be around five times the cost of building it, so it is crucial that this is considered and budgeted for at the outset of every project. This more holistic approach was utilised fully for the first time as part of the Finance and Resources Committee's consideration (and subsequent approval) of the capital and revenue implications arising from the replacement Queensferry High School on 27 March 2018.

4. Main report

- 4.1 Property lifecycle costs refer to the costs of running a building; cleaning, utilities, maintenance, non-domestic rates, janitorial and catering costs (if appropriate). In

addition to property costs, there will also be costs associated with service delivery from that building, for example teachers, management and administration costs for a school. This report is limited to considering property costs.

- 4.2 Some buildings are entirely new to the estate, such as new schools and rising school rolls projects to support the LDP. Other buildings are replacements for older buildings, and the net effect of their replacement is also considered. Replacement buildings should be more thermally efficient, which should have a positive impact on utilities costs. However, they often have far more complex mechanical and ventilation systems, which improves user comfort, but increases utilities and maintenance costs. Even the building's orientation can have implications. The impact of the solutions chosen during the design development needs to be tested to understand the implications for lifecycle costs. It may be that a more adventurous life cycle solution will increase capital costs upfront. The principles of Passivhaus, for example, should see a significant reduction in running costs, but may increase capital costs. There may also be conflict between the principles of sustainability and running costs; options which reduce the carbon footprint may increase running costs. Both of these issues are currently being explored moving forward.
- 4.3 Non-domestic rates (NDR) also have a big impact on running costs. Typically, NDR levels in Council buildings reflect obsolescence, i.e., building age. This means that where an older, life expired building is replaced with a new one, it inevitably creates a disproportionate increase in costs. Following implementation of the majority of recommendations made by the Barclay Review on Non-Domestic Rates, standalone nurseries are exempt from NDR for an initial three-year period. Properties managed by charities, such as community centres managed by management committees, are also exempt. Going forward, however, the monetary value of this arm's length body relief will be maintained at November 2017 levels, subject to inflationary and other changes in the business rates poundage.
- 4.4 Appendix 1 illustrates the extent of the new floorspace delivered since November 2015, when AMS was introduced. This shows nearly 72,000m² of new unfunded floorspace delivered over a three-year period. A number of these buildings were replacements, and the total net budget effect of this new floorspace has been estimated at £1.53m per annum.
- 4.5 Appendix 2 illustrates there is significant new floorspace proposed between now and 2022, amounting to nearly 82,000m². This comprises future school extensions to accommodate rising rolls, Local Development Plan primary school requirements, replacement schools from the end of the Wave 3 programme and the start of the Wave 4 programme, replacement of Queensferry High School, a potential new care home and the small net effect of the review of the depots estate. In addition, there are new early years facilities proposed throughout the city, but it is assumed that these will be funded by Scottish Government funding for the expansion of places to 1140 hours. The net effect of this future programme of build is anticipated to be an additional £3.54m per annum in property lifecycle costs, at 2018 prices.

5. Next Steps

- 5.1 Finance and Resources Committee approved, in March 2018, that all new projects must report their revenue implications to the Committee in advance of project approval. Each new project will therefore continue to require a report to be brought before this committee at the appropriate time.

6. Financial impact

- 6.1 The estimated net financial impact of the new floorspace is set out in the table below. The pre-2020 figure comprises pressures covering cleaning, repairs and maintenance, catering and janitorial costs between November 2015 and 2018, amounting to £910,000, plus the full forecast pressures in 2019/20 of £237,000. It assumes that uplifts in NDR poundage levels and utilities costs were recognised in the budget for those years, which reflects the reduction from the £1.53m in paragraph 4.4. These pressures have thus far been managed within the context of the Resources Directorate overall budget allocation, but given the extent of the anticipated forward increases, this position is not financially sustainable, given other pressures to reduce revenue expenditure.
- 6.2 The figures in the table below represent full year operating costs and will be further refined for each financial year once establishment opening dates and partial year effects are known. The figures reflect inflation and the anticipated increase in NDR poundage levels and rising utilities costs. These figures reflect new floorspace and are in addition to the increases in the budget required to reflect the increase in poundage and increasing utilities costs for the existing estate. The additional revenue required for the replacement Queensferry High School has already been factored into future revenue budgets, as set in the report to Committee in March 2018 and is therefore excluded from the figures below.

Year	Pre 2020	2020 £000s	2021 £000s	2022 £000s	TOTAL £000s
Additional net revenue requirement	£1,147	£446	£1,195	£1,713	£4,501

- 6.3 Opportunities to rationalise and consolidate the estate as a whole will, wherever appropriate and practicable, continue to be actively explored. In acknowledging the need to provide for the additional revenue cost implications of certain demand- and condition-led replacements and new-builds such as those listed in Appendix 2, however, further property running cost funding has been included within the budget framework to reflect:

- (i) rising school rolls;
- (ii) the Wave Four schools programme; and

(iii) additional, or expanded, facilities linked to the Local Development Plan.

6.4 At this stage, based on the appended cost projections and other non-premises cost-related expenditure estimates linked to the above factors, this level of provision made is sufficient to meet, in full, these additional costs. Given wider budgetary challenges facing the Council in the coming years, however, each case for funding will continue to be considered on its merits in order to strike an appropriate and sustainable balance between capital and revenue expenditure over the building's lifetime.

7. Stakeholder/Community Impact

7.1 This report has been developed with the input of the Communities and Families Directorate, the main source of the additional floorspace within the operational estate of the Council.

7.2 This report has no direct impact on the Equality Act 2010 or the Climate Change (Scotland) Act 2009; each of the projects listed will assess their impact individually as part of their approval process.

8. Background reading/external references

8.1 A previous report to this committee in March 2018 [Property condition project](#) instructed that all new capital projects should report their lifecycle implications to this committee for approval.

9. Appendices

Appendix 1: New Floorspace 2015 – 2019

Appendix 2: Forecast New Floorspace 2019 - 2022

APPENDIX 1

NEW BUILDING FLOORSPACE: NOVEMBER 2015 - DECEMBER 2018

Project	Completion	Gross Internal Floor Area M2	Total
Blackhall PS New Gym Hall		289	£19,768
Duddingston PS New Nursery	13-Aug-15	331	£22,640
Fox Covert PS New Nursery	13-Aug-15	508	£34,747
Wardie PS New Nursery	12-Aug-15	261	£17,852
Clermiston PS New classroom	14-Aug-15	404	£27,634
Flora Stevenson PS New classroom	12-Aug-15	281	£19,220
James Gillespie's PS New classroom	13-Aug-15	404	£27,634
Pentland PS New classroom	12-Aug-15	271	£18,536
Ratho PS New classroom	14-Aug-15	404	£27,634
Kirkliston PS Gym/Dining Hall	20-Oct-15	1685	£115,254
Wardie PS New classroom	12-Aug-15	271	£18,536
Gilmerton PS New classroom	14-Aug-15	436	£29,822
Deanbank Annex Refurbishment	14-Aug-15	No change	
Wester Hailes Underpass	20-Nov-15		
James Gillespie's Campus (new High School works)	20-Oct-15	14,757	£924,934
Liberton HS Gym extension (replacement)	24-Oct-16	835	£53,050
Cramond PS (GYM)	21-Oct-16	308	£21,067
East Craigs PS (GYM)	14-Oct-16	282	£19,289
Sciennes PS (Dining Hall)	19-Sep-16	150	£10,260
Towerbank PS (Dining hall)	14-Oct-16	128	£8,755

Heathervale YPC (New Build)	05-Aug-16	530	£33,500
Seafield Depot Phase 1	13-Feb-17	1535	£104,994
			£-00
RSR 4 East Craigs PS New build 3 classroom	Aug-16	271	£18,536
RSR4 Fox Covert PS New build 4 classroom	Aug-16	456	£31,190
RSR 4 St Mary's PS Leith New build 2 classroom	Nov-16	186	£12,722
Royston Care Home	Sep-16	4948	£287,576
Portobello HS	Oct-16	17317	£1,086,454
Corstorphine PS new nursery	15-Aug-17	310	£20,052
Davidson Mains new nursery	15-Aug-17	435	£28,570
Ferryhill new nursery	15-Aug-17	435	£29,754
Granton new nursery	11-Sep-17	620	£41,000
Longstone PS new nursery	15-Aug-17	360	£23,472
Bruntsfield PS	15-Aug-17	No change to GIFA, existing area refurbished	
Ferryhill PS	07-Aug-17	No change to GIFA, existing area refurbished	
RSR5 Corstorphine PS new store and GP rooms above dining hall Mezzanine	11-Aug-17	100	£6,840
RSR5 Liberton PS new build – 4 classrooms	11-Aug-17	456	£31,190
RSR5 St Margaret's RC PS Gym Hall, storage, changing rooms and circulation	15-Aug-17	302	£20,657
Buckstone PS Assembly Hall and storage	Jan-18	200	£13,680
New Boroughmuir High School	Feb-18	13,506	£866,572
Leith PS gym hall and nursery	Mar-18	848	£55,136
Davidson's Mains PS 8 classrooms	Aug-18	761	£52,052
Granton PS 2 classrooms	Aug-18	185	£12,654
Stockbridge PS s classrooms	Aug-18	151	£10,328

Trinity PS 2 classrooms	Aug-18	192	£13,133
Currie PS 4 classrooms	Aug-18	333	£22,777
Clermiston PS 2 classrooms modular unit	Aug-18	179	£12,244
Cramond PS 2 classrooms modular unit	Aug-18	149	£10,192
James Gillespie's PS 4 classrooms	Aug-18	358	£23,348
Newcraighall PS 3 classrooms	Aug-18	238	£15,140
Victoria PS 2 classrooms - modular unit	Aug-18	179	£12,244
St Johns PS	Aug-18	3794	£244,828
Tynecastle Nursery (by Hearts FC)	Oct-18	471	£19,027
TOTAL		71810	£4,557,469
EXISTING REVENUE FUNDING FOR REPLACEMENT BUILDINGS			- £3,025,000
NET INCREASE			£1,532,469

NOTES

1. Shaded entries indicate replacement buildings; note that most of these new buildings are larger than the ones they replaced, and their systems are far more sophisticated which improves environmental comfort, but are more expensive to run.
2. Forecast running costs are based on industry standard lifecycle costs and include utilities, soft FM (such as cleaning and waste management), repairs and maintenance, redecoration, life cycle replacement, grounds maintenance and non-domestic rates.
3. Estimate of existing budgets as some replacements only replace part of an existing building.
4. Assumes pro rata change to janitorial costs for additional floorspace, based on 1 FTE additional resource will be required for new primary schools

APPENDIX 2

FORECAST NEW FLOORSPACE JAN 2019 - AUG 2022									
PROJECT	Completion Year	Floorspace	Utilities £13.7/m2	Rates £25/m2	Cleaning £17/m2	R&M £6.3/m2	Janitorial net change	Catering net change	Total
Rising rolls	2019- 2021	8,689	£119,039	£217,225	£147,713	£54,741	£55,610	£51,452	£645,780
Queensferry PS 4 classroom extension	2019	420	£5,754	£10,500	£7,140	£2,646	£2,688	£34,200	£62,928
Kirkliston PS 4 classroom modular	2019	358	£4,905	£8,950	£6,086	£2,255	£2,291	£15,200	£39,687
Sighthill PS - nursery TU relocation	2019	276	£3,781	£-00	£4,692	£1,739	£1,766	£15,200	£27,178
St Cuthberts PS - nursery TU relocation	2019	180	£2,466	£-00	£3,060	£1,134	£1,152	£15,200	£23,012
Queensferry High School	2020	14,185	£194,335	£354,625	£241,145	£89,366	£25,600	£10,000	£915,070
St Crispin's Special School	2020	3,732	£51,128	£93,300	£63,444	£23,512	£10,880	£10,000	£252,264
Oxgangs YPC	2020	530	£7,261	£13,250	£9,010	£3,339	£640	-	£33,500
Craigmillar HS	2021	8,400	£115,080	£210,000	£142,800	£52,920	-£25,600	£10,000	£505,200
Trinity HS	2022	14,000	£191,800	£350,000	£238,000	£88,200	£25,600	£10,000	£903,600
Broomhills	2021	3,829	£52,457	£95,725	£65,093	£24,123	£25,000	£73,000	£335,398
Canaan Lane	2021	3,829	£52,457	£95,725	£65,093	£24,123	£25,000	£73,000	£335,398
Leith Western Harbour	2021	3,829	£52,457	£95,725	£65,093	£24,123	£12,800	£73,000	£323,198
Brunstane	2022	3,001	£41,114	£75,025	£51,017	£18,906	£9,600	£73,000	£268,662
Maybury	2022	3,829	£52,457	£95,725	£65,093	£24,123	£25,000	£73,000	£335,398
Builyeon Road SQ	2022	3,829	£52,457	£95,725	£65,093	£24,123	£25,000	£73,000	£335,398
St Catherine's	2022	3,554	£48,690	£88,850	£60,418	£22,390	£22,746	£15,200	£258,294
Care Home	2022	4,207	£57,636	£105,175	£71,519	£26,504	£26,925	-	£287,759
Depots Estate	2020	940	£12,878	£23,500	£15,980	£5,922	£6,016	-	£64,296
TOTAL		81,617	£1,118,153	£2,029,025	£1,387,489	£514,187	£278,714	-	£5,952,020
Existing budget			-£471,000	-£633,000	-£702,000	-£611,000	£-00	£-00	-£2,417,000
Net change			£647,153	£1,396,025	£685,489	-£96,813	£278,714	£624,452	£3,535,020

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

A review of Health and Safety Groups within the Council

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 To note the outcomes of the review of health and safety groups within the Council, and approve the recommendations for improvements, as detailed in the 'next steps' section of the report.

Stephen S. Moir

Executive Director of Resources

Contact: Dr Susan N. Tannahill, Council Health and Safety Manager

E-mail: susan.tannahill@edinburgh.gov.uk | Tel: 0131 553 8336

A review of Health and Safety Groups within the Council

2. Executive Summary

- 2.1 The purpose of this report is to respond to a motion made at Council in October 2018 in relation to the constitution of Directorate/service level health and safety groups, following UNISON's withdrawal from the Place Health and Safety Group and the Waste and Cleansing Working Group.
- 2.2 This report provides an overview on the health and safety groups, with an update on progress since October 2018 and recommendations for further enhancements including increased engagement and collaboration with Trades Unions.

3. Background

- 3.1 The Council has a legal duty to put in place suitable arrangements to manage health and safety, and to consult with employees (Trade Union appointed safety representatives or non-union elected representatives of safety) on health and safety matters. The Council is also required by law to establish a safety committee if requested to do so in writing by at least two safety representatives.
- 3.2 The current health and safety governance and reporting framework was introduced in March 2015 (see Appendix 1), aligned with the Council's Risk Management Framework. It established the Council Health and Safety Group, and the Council Health and Safety Consultation Forum which serves as the Council-wide health and safety committee for formal consultation with employees / employee representatives.
- 3.3 There are currently several directorate and service level health and safety groups, forums and committees and topic specific working groups across the Council which sit below the Council Health and Safety Group in the governance and reporting framework.
- 3.4 Recommendations for improvements in the governance of topic specific working groups for both Hand Arm Vibration and Driving were made in an audit by PwC in 2016.
- 3.5 A review of all directorate/service level health and safety groups was subsequently carried out by Corporate Health and Safety in February 2017, with a recommendation that each directorate should review, and where required, revise

the health and safety governance and reporting arrangements at directorate/service level. Consideration was to be given to ownership and accountability, terms of reference, membership (including trade union involvement), chairperson, frequency, and documentation.

- 3.6 In October 2018, UNISON withdrew from both the Place Health and Safety Group and Waste and Cleansing health and safety working group, with the reasons given that the groups are unconstitutional, non-productive and did not fully engage with the Trades Unions. This issue was subsequently raised at the Council Health and Safety Consultation Forum in November 2018 and as a deputation and motion at the full Council meeting in December 2018.
- 3.6 The purpose of this report is to review the current governance arrangements for all directorate/service level health and safety groups.

4. Main report

- 4.1 Health and safety groups play an important part in the management of health and safety within the Council, including the drawing up and implementation of health and safety plans and monitoring of performance and issues. Whilst the majority of health and safety groups within the Council have not been set up as health and safety committees under the Health and Safety at Work etc. Act 1974 and Safety Representatives and Safety Committees Regulations 1977, this does not invalidate the groups nor make them unconstitutional. The legal requirement to set up committees in a specified way applies where at least two safety representatives request an employer to do so in writing. The Council Health and Safety Consultation Forum was set up in 2015 to enable formal consultation on health and safety. However, as noted in the 2017 review, engaging with employees/ employee representatives more widely across other groups would be considered best practice.
- 4.2 All health and safety groups and sub-groups have agreed terms of reference and membership, and there has been an increase in the number of groups that include Trade Union representatives in their membership. However, there is still inconsistency regarding which Trades Unions are invited to groups.
- 4.3 A summary of the status of health and safety groups at directorate/service level across the Council is given in Appendix 2.
- 4.4 Requests were made in October 2018 by UNISON for health and safety committees to be set up within Place, Parks Greenspace and Cemeteries, and Waste and Cleansing. These committees have now been established. The terms of reference for the Place Health, Safety and Wellbeing Committee are mostly the same as the previous Place Health and Safety Group, with the main changes being equal membership between management and Trades Unions, and a new chairperson. Where groups such as the Place Health and Safety Group change to become a health and safety committee with equal membership, this can mean a reduction in representation of service areas and so arrangements and communication should take this into account.

- 4.5 The membership of the Resources and Strategy and Communications Health and Safety Group has recently included Trade Union representatives. This group's membership has been set at a senior level which helps to demonstrate management commitment to health and safety. There are no working groups for service areas at a more operational level within Resources and Strategy and Communications, other than topic specific groups for fire, water safety and asbestos.
- 4.6 The Communities and Families Health Safety and Wellbeing Committee membership currently includes EIS and UNISON representatives. The Health and Social Care Partnership Health and Safety Group is large, with representatives from across the partnership and Trades Unions. Neither of these groups were requested to be set up by two or more safety representatives. Given the changes within Place and the deputation to the Council meeting in December 2018, dialogue is recommended between management and Trade Union representatives to review whether any changes to membership or terms of reference are required for consistency and to ensure effectiveness.
- 4.7 Where health and safety committees are established under the Safety Representatives and Safety Committees Regulations 1977, there are particular requirements under the Health and Safety (Consultation with Employees) Regulations 1996 regarding notification of the composition of the committee, dates of meetings, and the availability / circulation of minutes. There is also a requirement where a new health and safety committee is requested by two or more safety representatives for this to be set up within three months.
- 4.8 Now that the Communities and Families Health and Safety Working Group has changed to focus solely on schools, it is recommended that consideration is given on whether additional groups are required for other children's services, community services and libraries.
- 4.9 Whilst feedback from members of most groups during this review was generally positive (with the exception of issues raised by UNISON regarding the Place groups), a lack of consistent attendance and meeting cancellations have had a detrimental impact on the effectiveness of some groups. For example, in 2018 several meetings were cancelled for the Fire Safety Standing Group, Asbestos Standing Group, Water Safety Standing Group and Communities and Families Health Safety and Wellbeing Committee. The Head of Property and Facilities Management has recently taken on the role of chairperson for the topic groups to provide the necessary level of senior leadership, which has had a positive impact. The Health and Safety Executive (HSE) guidance on health and safety committees states that meetings should not be cancelled or postponed except in very exceptional circumstances.
- 4.10 Responsibilities for minute taking at some groups, including the Council Health and Safety Forum, would benefit from review to ensure suitable delineation.
- 4.11 The templates used by the health and safety groups are not consistent across the Council.

5. Next Steps

- 5.1 Communities and Families, and the Health and Social Care Partnership, should consult with all of the relevant Trades Unions on the current directorate/service level health and safety group structure with a view to enabling greater consistency with other groups across the Council.
- 5.2 All directorate/service level groups should review which Trades Unions are included in the group membership and ensure that GMB are invited where relevant.
- 5.3 GMB should be invited to attend the Council Health and Safety Consultation Forum.
- 5.4 All directorates should ensure that service areas not represented at directorate level meetings have suitable arrangements in place to communicate with these meetings.
- 5.5 Communities and Families should review the need for working groups for service areas not included in the schools' working group, e.g. Children's Services, and Community Centre and Library staff.
- 5.6 Notice of the composition of health and safety groups should be made available to all relevant employees and dates of meetings published.
- 5.7 Lack of attendance at service level and topic specific groups should be escalated to service management teams and the Council Health and Safety Group as required.
- 5.8 Suitable arrangements should be in place for minute taking at each meeting, to record discussions points, decisions and actions.
- 5.9 Suitable standard templates for documentation should be used for agendas (incorporating terms of reference and membership on reverse), minutes and action plans.
- 5.10 All groups should periodically review the terms of reference and the effectiveness of the group in meeting the stated aims/ remit.

6. Financial impact

- 6.1 There is no direct financial impact.

7. Stakeholder/Community Impact

- 7.1 Feedback has been provided by Trades Unions and stakeholders.

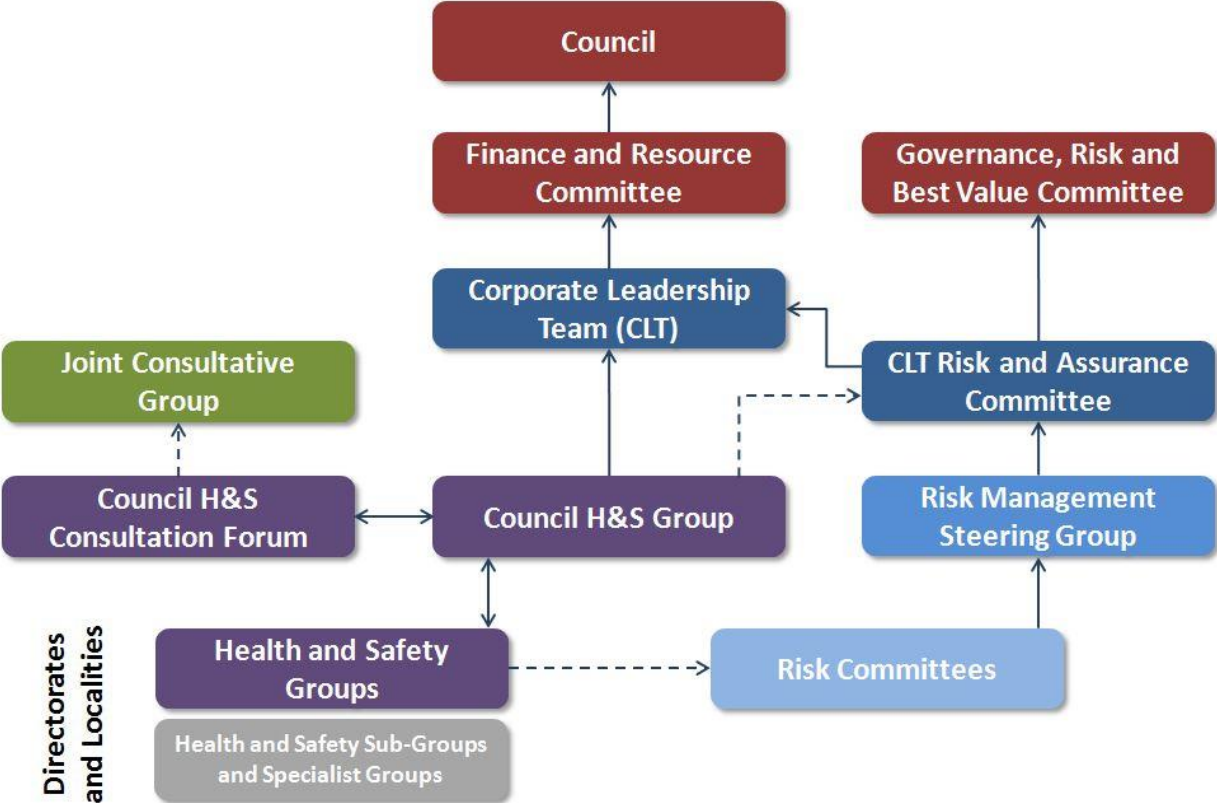
8. Background reading/external references

- 8.1 The Safety Representatives and Safety Committees Regulations 1977
- 8.2 The Health and Safety (Consultation with Employees) Regulations 1996

9. Appendices

- 9.1 Appendix 1: Council Health and Safety Governance Framework
- 9.2 Appendix 2: Summary of status of Health and Safety Groups

Appendix 1 – Council Health and Safety Governance Framework



Notes: Denotes reporting accountabilities, not reporting lines.

Appendix 2 – Summary of status of health and safety groups

Communities and Families

Name of group	Agreed membership	Agreed terms of reference	Group requested under SRSC Regulations	Trades Unions involved	Frequency of meetings	Currently meeting
Communities and Families Health, Safety & Wellbeing Committee	Yes	Yes	No	UNISON EIS	Quarterly	Yes (Met twice in 2018)
Schools Health and Safety Working Group	Yes	No	No	No	2 months	Yes (schools only from November 2018)
Safer and Stronger Communities Health and Safety Working Group	Yes (Trades Unions are not listed)	Yes	No	UNISON Unite	Monthly	Yes

Health and Social Care Partnership

Name of group	Agreed membership	Agreed terms of reference	Group requested under SRSC Regulations	Trades Unions involved	Frequency of meetings	Currently meeting
Edinburgh Health and Social Care Partnership Health and Safety Group	Yes (not set out in terms of reference)	Yes	No	UNISON AHP	Quarterly	Yes

Resources, and Strategy and Communications

Name of group	Agreed membership	Agreed terms of reference	Group requested under SRSC Regulations	Trade Unions involved	Frequency of meetings	Currently meeting
Resources and Strategy and Communications Health and Safety Group	Yes	Yes	No	UNISON Unite	Quarterly	Yes
Fire Safety Standing Group	Yes	Yes	No	EIS UNISON Unite	6 weeks (to be changed to 2 months)	Yes
Asbestos Standing Group	Yes	Yes (being revised)	No	UNISON Unite	8 weeks	Yes
Water Safety Standing Group	Yes	Yes	No	EIS UNISON Unite	2 months	Yes

Place

Name of group	Agreed membership	Agreed terms of reference	Group requested under SRSC Regulations	Trades Unions involved	Frequency of meetings	Currently meeting
Place Health, Safety and Wellbeing Committee	Yes	Yes	Yes	UNISON Unite	Quarterly	Yes
Culture Health and Safety Group	Yes	Yes	No	No	2 months	Yes
Waste and Cleansing and Fleet Health, Safety & Wellbeing Group	Yes	Yes	Yes	UNISON Unite	Quarterly	No
Housing Property Health and Safety Group	Yes	Yes	No	Unite	Quarterly	Yes
Parks, Greenspace and Cemeteries Health and Safety Committee	Yes	Yes	Yes	UNISON Unite	Quarterly	No

Place (contd.)

Name of group	Agreed membership	Agreed terms of reference	Group requested under SRSC Regulations	Trades Unions involved	Frequency of meetings	Currently meeting
Hand-Arm Vibration Working Group	Yes	Yes	No	No	2 months	Yes

Finance and Resources Committee

10am, Thursday, 23 May 2019

Whistleblowing Policy

Item number	7.20
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

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

Andrew Kerr

Chief Executive

Contact: Nick Smith, Monitoring Officer

E-mail: nick.smith@edinburgh.gov.uk | Tel: 0131 529 4377

Whistleblowing Policy

2. Executive Summary

- 2.1 The Finance and Resources Committee approved the Council's current Whistleblowing Policy on 27 March 2018. This report recommends approval of a revised Whistleblowing Policy to meet the annual review requirement of the Council's policy framework.

3. Background

- 3.1 The policy was formally introduced on 12 May 2014 to coincide with the launch of the Council's whistleblowing hotline pilot.
- 3.2 The most recent revisions to the Whistleblowing Policy were approved by Committee on 27 March 2018 to include recommendations from the annual review of whistleblowing.
- 3.3 The policy is a component of induction training and is included in the mandatory refresher exercise for all staff on the Council's key policies.

4. Main report

- 4.1 An annual review of the whistleblowing policy has been undertaken, as required under the Council's policy framework.
- 4.2 Material amendment to the existing policy is summarised as follows:
- 4.2.1 explicit reference to the right of a whistleblower to disclose to their regulatory or professional body, where appropriate (8.4.3)
- 4.3 The policy will be reviewed annually to ensure it is still fit for purpose, including:
- 4.3.1 changes to legislation;
- 4.3.2 changes to Council structures, roles and responsibilities;
- 4.3.3 best practice; and
- 4.3.4 development of the service.

5. Next Steps

- 5.1 The revised whistleblowing policy will take effect immediately following committee's approval.

6. Financial impact

- 6.1 There is no financial impact arising from this report.

7. Stakeholder/Community Impact

- 7.1 The policy is a local agreement with the recognised trade unions who were consulted during the course of the review.
- 7.2 An Integrated Impact Assessment is not required as:
- 7.2.1 A full equalities and rights impact assessment (ERIA) was completed when the Council's Whistleblowing Service contract was re-procured in May 2016.
- 7.2.2 The proposed revision to the Whistleblowing Policy is a minor clarification and does not impact on equality, human rights, poverty, health, carbon impacts, adaptation to climate change or sustainable development.
- 7.2.3 An Integrated Impact Assessment will be conducted, if required, for future revisions to the Whistleblowing Policy.

8. Background reading/external references

- 8.1 [Finance and Resources Committee 27 March 2018: item 7.4 – Whistleblowing Policy](#)

9. Appendices

Appendix 1 – Draft Revised Whistleblowing Policy for implementation on 23 May 2019

Whistleblowing Policy

Implementation date: 23 May 2019

Control schedule

Approved by	Finance and Resources Committee
Approval date	23 May 2019
Senior Responsible Officer	Nick Smith, Monitoring Officer
Author	Laura Callender
Scheduled for review	March 2020

Version control

Version	Date	Author	Comment
0.1	21.01.2019	Laura Callender	Draft for CLT

Committee decisions affecting this policy

Date	Committee	Link to report	Link to minute
19.09.2013	Finance and Resources	Item 7.2 - Revised Whistleblowing Policy	Finance and Resources Committee The City of Edinburgh Council
27.08.2015	Finance and Resources	Item 7.13 - Review of Whistleblowing Arrangements	Finance and Resources Committee The City of Edinburgh Council
23.03.2017	Finance and Resources	Item 7.2 – Whistleblowing Policy	Finance and Resources Committee The City of Edinburgh Council
27.03.2018	Finance and Resources	Item 7.4 - Whistleblowing Policy	Finance and Resources Committee The City of Edinburgh Council

Whistleblowing Policy

Policy statement

- 1.1 The aims of this Policy are to uphold the highest standard of conduct and ethics in all areas of the Council's work.
- 1.2 In line with this commitment if you have serious concerns about any aspect of the Council's work you are encouraged to come forward and voice those concerns.
- 1.3 This Policy covers malpractice under the whistleblowing legislation and other serious concerns.
- 1.4 The relevant whistleblowing legislation is the Public Interest Disclosure Act 1998 (the 'Act'), an insertion to the Employment Rights Act 1996, which protects current and former employees and workers who blow the whistle.
- 1.5 You have the right to raise concerns in the knowledge that they will be taken seriously, investigated appropriately, and your confidentiality will be maintained.
- 1.6 This Policy explains how to raise concerns.
- 1.7 The main way to raise concerns is to the external 'Whistleblowing Hotline'. Details are at section 4.2.
- 1.8 You can also make a disclosure to a Manager within the Council. Details are also at section 4.2.
- 1.9 You will be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.
- 1.10 The Monitoring Officer (the Council's Head of Legal and Risk) has overall responsibility for this Policy which means undertaking periodic reviews to reflect organisational changes, best practice, operational experience or legislative updates.
- 1.11 This Policy is not intended to replace any other statutory reporting procedures operated by the Council.
- 1.12 Matters of concern relating to your employment situation which would normally be dealt with under the Council's Grievance Procedure or Avoidance of Bullying and Harassment at Work Policy should continue to be handled in that way.

Scope

- 2.1 This Policy applies to all employees and workers including persons contracted to personally provide services to the Council, persons undergoing training or work experience as part of a training course, elected members and agency workers.

How to whistleblow in confidence

- 2.2 You can blow the whistle by contacting the external 'Whistleblowing Hotline' maintained by **Safecall**, which is a separate organisation.
- 2.3 You can also make a disclosure to a Manager within the Council.
- 2.4 An illustration of how these arrangements work is at Appendix 1, the Whistleblowing Flowchart.

What can you raise as a whistleblowing concern?

- 2.5 The following areas of malpractice can be raised under this Policy:-
- 2.5.1 criminal activity;
 - 2.5.2 a failure to comply with any legal obligation;
 - 2.5.3 miscarriages of justice;
 - 2.5.4 damage to health and safety;
 - 2.5.5 damage to the environment; and
 - 2.5.6 deliberate concealment of any of the above matters.
- 2.6 The above does not represent an exhaustive list of areas covered by this Policy.
- 2.7 You should also raise any serious concerns that you may have about any aspect of Council business or the conduct of officers or members of the Council or others acting on behalf of the Council under this Policy.
- 2.8 Concerns can be raised in relation to matters that have taken place, continue to take place or are likely to take place in the future.

Definitions

- 3.1 Disclosure – this is the information that you provide, verbally or in writing, about your concerns.
- 3.2 Whistleblower – this is the term used to describe the person who provides information about their concerns to the whistleblowing hotline provider, a manager in the Council or to prescribed persons (see more information on prescribed persons at section 8).

- 3.3 Whistleblowing team – this is the small team of staff in Governance who manage day to day operation of the whistleblowing service, liaising with and supporting the whistleblowing hotline provider, on behalf of the Council’s Monitoring Officer.
- 3.4 Hotline provider – the independent, external whistleblowing service provider who operates the confidential hotline service, oversees Council investigations into minor disclosures, carries out investigations into major disclosures and reports to committee.
- 3.5 Public interest – this is the test that is applied to determine if your concern is a whistleblowing matter to be dealt with under this policy. To meet the public interest test your concern should be one that is of interest to the public at large and not one that relates to you alone e.g. your employment status or contractual arrangements.

Roles and responsibilities

4.1 Employee/ Worker obligations

- 4.1.1 You should report any concern to the Whistleblowing Hotline provider.
- 4.1.2 You can also report a concern to any Manager at the Council.
- 4.1.3 You should do so where you have a reasonable belief that malpractice has occurred, is taking place or is likely to take place, where you have any serious concerns and it is in the public interest to do so.
- 4.1.4 You should not use this Policy for complaints relating to your employment as they are best addressed using the Council’s Grievance or Avoidance of Bullying and Harassment procedures.
- 4.1.5 You are responsible for acting professionally if you have a concern about the work of your colleagues, including an expectation on you to report malpractice.
- 4.1.6 You may also be called upon to assist the Whistleblowing Hotline provider regarding your disclosure.
- 4.1.7 In the unlikely event that your reported concern or issue is found to be deliberately vexatious or malicious this will be considered as a disciplinary matter.

4.2 Whistleblowing Hotline

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

- 4.2.3 The Whistleblowing Hotline is the main way to make a whistleblowing disclosure (it is not the only way however).
- 4.2.4 You can also make a whistleblowing disclosure to any Manager at the Council (see 4.2.6 and further detail at section 5).
- 4.2.5 The Whistleblowing Hotline provider will follow the procedure once they receive your disclosure as set out in this section, 4.3 and 5.
- 4.2.6 If you make a disclosure to a Manager within the Council the Manager, in all cases, needs to report that they have received a disclosure to the Whistleblowing Hotline provider. This is to ensure that they can maintain a record of all disclosures.
- 4.2.7 When you contact the Whistleblowing Hotline provider they will determine if it is a 'minor/operational' whistleblowing disclosure, or a 'major/significant' whistleblowing disclosure, in consultation with the Monitoring Officer and his/her Whistleblowing Team.
- 4.2.8 In the case of a 'minor/operational' whistleblowing disclosure (and at the sole discretion of the Whistleblowing Hotline provider), they may ask a Manager within the Council to conduct investigations and report back to them with their findings. If this is the case the Whistleblowing Hotline provider will liaise with the Monitoring Officer's whistleblowing team. Alternatively, the Whistleblowing Hotline provider may itself carry out the investigation and reporting function concerning a 'minor/operational' whistleblowing disclosure.
- 4.2.9 In the case of 'major/significant' whistleblowing disclosures, the Whistleblowing Hotline provider will always carry out the investigation and reporting function.
- 4.2.10 The Whistleblowing Hotline provider may at any time make a recommendation to the Monitoring Officer and the Chief Executive of the Council that a matter which has been disclosed:-
- 4.2.10.1 be investigated internally;
 - 4.2.10.2 be referred to the Police;
 - 4.2.10.3 be referred to the external auditor; or
 - 4.2.10.4 form the subject of an independent inquiry.
- 4.2.11 The Whistleblowing Hotline provider may also direct you to other Council policies and procedures where the issue you have raised would be best addressed under one of those policies/procedures.
- 4.2.12 The Whistleblowing Hotline provider may therefore determine that matters raised by you are appropriately dealt with under the following Council policies and procedures:- the Complaints Procedure, the Care Service Feedback Procedures, the Policy on Avoidance of Bullying and Harassment at Work, the Procedure for Hearing Grievances and the Equality and Rights in Employment Policy. Further action may also be considered under the terms of the Employee Code of Conduct, the Disciplinary Procedure, the Anti-Fraud Policy, and the Anti-Bribery Policy.

4.2.13 The Whistleblowing Hotline provider may also determine that the issues raised fall under the scope of other specific Council policies and procedures (such as child protection matters, social services matters and discriminatory conduct) or other professional codes.

4.2.14 The Whistleblowing Hotline provider will liaise (as appropriate and at their discretion) with the Monitoring Officer and his/her whistleblowing team, the Chief Executive, the Executive Director(s) of relevant service area(s), line managers and employees at the Council to the extent necessary to allow them to investigate and report on whistleblowing disclosures.

4.3 Whistleblowing Hotline Reports

4.3.1 Where the Whistleblowing Hotline provider carries out investigations they will (as appropriate and at their discretion) liaise with the Monitoring Officer, the Monitoring Officer's whistleblowing team, the Chief Executive, the Executive Director of the relevant service area, relevant line managers and relevant employees at the Council.

4.3.2 The Whistleblowing Hotline provider will prepare quarterly and annual summary reports and prepare independent reports on disclosures for the Governance, Risk and Best Value Committee (the 'GRBV Committee'); they will also be responsible for dissemination of any report(s) on a disclosure conducted by a Manager within the Council to the GRBV Committee.

4.3.3 The Monitoring Officer and/or Executive Director of the relevant service area and/or the Chief Executive of the Council will initially receive all reports from the Whistleblowing Hotline provider. They will however be submitted to the Monitoring Officer, each Executive Director and the Chief Executive of the Council for information and comment only, in advance of being presented to the GRBV Committee. The Monitoring Officer and/or the Chief Executive of the Council will report to the GRBV Committee in relation to the outcome of the Whistleblowing Hotline providers findings.

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

4.3.5 The quarterly and annual reports to the GRBV Committee will state a high level summary of the issues raised and the actions taken concerning whistleblowing. As a minimum this will include:-

4.3.5.1 the number of calls;

4.3.5.2 the type of message received;

4.3.5.3 whether the call required to be handled by other means; and

4.3.5.4 classification of the disclosure/ area of malpractice.

4.3.6 The investigation outcome reports of the Whistleblowing Hotline provider will contain sufficient detail to allow the GRBV Committee to question persons where necessary and to call upon Council managers to account for their handling of matters.

4.4 Monitoring Officer's whistleblowing team

- 4.4.1 When an initial report is received from the Whistleblowing Hotline provider it will be discussed with the Monitoring Officer's Whistleblowing team and the category of the disclosure will be agreed.
- 4.4.2 The Monitoring Officer's whistleblowing team will liaise with the Whistleblowing Hotline provider on both 'minor/operational' and 'major/significant' disclosure investigations.
- 4.4.3 The Monitoring Officer's whistleblowing team will determine when input should be sought from HR or any other relevant section/function of the Council.
- 4.4.4 The Monitoring Officer's whistleblowing team will identify Managers within the Council to carry out those investigations deemed necessary and liaise with the Whistleblowing Hotline provider as appropriate.
- 4.4.5 Any matter reported to the Monitoring Officer's whistleblowing team will not be widely disseminated. It may be appropriate for disclosures to be reported to the Chief Executive in the first instance, both to allow for input and to ensure that there is a general awareness of concerns being raised at the most senior level within the Council.
- 4.4.6 Where there is deviation from the timescale set out at 5.1.3, it may be appropriate for the Monitoring Officer's whistleblowing team to set a revised timescale for completion of the investigation.
- 4.4.7 If it is determined that action is to be taken which is not in line with a recommendation of the Whistleblowing Hotline provider, the Monitoring Officer's whistleblowing team shall set out the reasons for this decision and report them to the Chief Executive and to the GRBV Committee in terms of what action is to be taken, by whom and why any recommendations have not been followed.

4.5 Directorate Whistleblowing Liaison Officer(s)

- 4.5.1 If the Monitoring Officer's whistleblowing team requires assistance from a particular Directorate, there will be a liaison officer appointed to liaise with the whistleblowing team and assist with action or investigation relating to any concern that has been raised and, in particular, any steps to be taken by the Directorate.
- 4.5.2 The Directorate Whistleblowing Liaison Officer(s) may also be called upon to assist the Whistleblowing Hotline provider regarding a disclosure and must assist to the extent necessary to facilitate their investigations and subsequent reporting.
- 4.5.3 Those called upon to assist the Whistleblowing Hotline provider must do so on a confidential basis. The sharing of any information relating to a whistleblowing matter must be agreed in advance with the whistleblowing team.

4.6 Manager(s) of the Council

- 4.6.1 The Whistleblowing Hotline provider may pass 'minor/operational' disclosures to Managers for investigation where they consider it appropriate.
- 4.6.2 In the case of 'minor/operational' disclosures the Whistleblowing Hotline provider will always liaise with the Monitoring Officer's whistleblowing team in the first instance.
- 4.6.3 At the sole discretion of the Whistleblowing Hotline provider, and through the Monitoring Officer's whistleblowing team, they may ask the Manager within the Council to conduct investigations and report back to them with their findings.
- 4.6.4 On appointment to investigate, the Manager is briefed by a member of the whistleblowing team and will follow the procedures as set out within this section and at section 5, below.
- 4.6.5 The investigation outcome report of the Manager within the Council will contain sufficient detail to allow the GRBV Committee to question persons where necessary and to call upon Council managers to account for their handling of matters.
- 4.6.6 Managers may also be called upon to assist the Whistleblowing Hotline provider regarding your disclosure. Those called upon to do so must assist the Whistleblowing Hotline provider to the extent necessary to facilitate their investigations and subsequent reporting.
- 4.6.7 Those called upon to assist the Whistleblowing Hotline provider must maintain confidentiality throughout the process.
- 4.6.8 Those called upon to assist the Whistleblowing Hotline provider are required to provide such assistance as soon as reasonably practicable in order that the provider can conclude investigations and subsequent reporting within reasonable timescales.

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

- 4.7.1 The Whistleblowing Hotline provider will provide a summary of the final report(s) to the Monitoring Officer, each Executive Director and the Chief Executive of the Council, for information and comment only, in advance of the final report(s) going to the GRBV Committee.
- 4.7.2 The Monitoring Officer and/or the Executive Director of the relevant service area and/or the Chief Executive of the Council will report to the GRBV Committee in relation to the outcome of the Whistleblowing Hotline provider's findings.
- 4.7.3 In the case of 'major/significant' whistleblowing disclosures, the Whistleblowing Hotline provider shall immediately inform the Monitoring Officer and the Chief Executive of the Council. The Monitoring Officer and his/her whistleblowing team, the Chief Executive and, where appropriate, the Executive Director of the relevant service area will support the Whistleblowing Hotline provider as necessary to allow them to carry out their investigatory and reporting duties.
- 4.7.4 When a report is received about the Monitoring Officer it will be passed to the Chief Executive. When a report is received about the Chief Executive it will be passed to the Council Leader.

4.8 GRBV Committee

- 4.8.1 The role of the GRBV Committee in respect of this policy is to monitor the financial performance of the Council and its subsidiary undertakings, the effectiveness of the Council's audit and inspection, risk management and governance arrangements and of the control environment of the Council and associated anti-fraud and anti-corruption arrangements.
- 4.8.2 The GRBV Committee will receive quarterly and annual high level summary reports regarding whistleblowing disclosures (prepared by the Whistleblowing Hotline provider) from the Monitoring Officer and, or the Executive Director of the relevant service area, and/or the Chief Executive of the Council. Detailed whistleblowing investigative outcome reports will be available on request. The Chief Executive of the Council will report to the GRBV Committee in relation to the outcome of the Whistleblowing Hotline providers' findings, save that the Chief Executive may determine that the report should be submitted by the Monitoring Officer or relevant service area Executive Director. This includes those reports prepared by a Manager of the Council where the Whistleblowing Hotline provider directed them to undertake the investigation.
- 4.8.3 The GRBV Committee will be entitled to question relevant persons where necessary and to call Council managers to account for their handling of matters raised under this Whistleblowing Policy.

4.9 All Parties Confidentiality Requirement

- 4.9.1 All parties who play a role in respect of this Policy undertake to keep confidential and not disclose or discuss the circumstances of any whistleblowing concern with any person or organisation save as may be required for the purpose of investigating and reporting on the whistleblowing concern itself.

The Process

5.1 Procedure on receipt of a disclosure

- 5.1.1 The Whistleblowing Hotline provider or the Manager within the Council (as directed by the Whistleblowing Hotline provider) will take ownership of any investigations, liaise with those within the Council as necessary and, following the investigation, prepare a report.
- 5.1.2 The Whistleblowing Hotline provider, or the Manager within the Council, will follow such procedures as necessary to investigate and conclude their findings.
- 5.1.3 Ordinarily a whistleblowing disclosure will be acted upon and concluded in good time. Good time will normally mean no more than three months.
- 5.1.4 A disclosure made by you will be treated with sensitivity and your confidentiality will be maintained.
- 5.1.5 If it is necessary, during the course of investigating your concern, to reveal your identity this will be discussed with you in advance.

5.1.6 You may be required to come forward as a witness. In such circumstances the Whistleblowing Hotline provider or the Manager at the Council conducting the investigations will arrange for you to be given advice about the relevant procedure. You will also be afforded the opportunity to be accompanied by a trade union representative or work colleague of your choice if you have any further active involvement in the process.

5.1.7 Disclosures may be made to the Whistleblowing Hotline provider or the Manager within the Council orally or in writing. The disclosure should, wherever possible, contain all relevant details about the background and history of the matter being disclosed including names, dates and times as well as the grounds for your concern. If you are unsure about how to approach this situation you may seek advice from the Whistleblowing Hotline provider or the Manager within the Council conducting the investigations.

5.1.8 A disclosure to the Whistleblowing Hotline or the Manager within the Council will be dealt with in three stages.

5.1.9 **Stage 1**

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

Where the Manager within the Council receives the disclosure they need to report this to the Whistleblowing Hotline provider so the provider can assess the seriousness of the matter.

Where the Whistleblowing Hotline provider determines that the matter does not fall within the terms of this Policy, they will direct you to the appropriate alternative Council policy or procedures.

The Whistleblowing Hotline provider or the Manager within the Council will acknowledge receipt of the disclosure as soon as reasonably practicable and no later than two working days.

5.1.10 **Stage 2**

The Whistleblowing Hotline provider or the Manager within the Council (via the Monitoring Officer's whistleblowing team, if appropriate) shall assess what further action is required concerning the disclosure and inform you of the further action to be taken.

5.1.11 **Stage 3**

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

A programme of action may include, but will not be limited to, investigations, a recommendation that an internal audit be carried out, a recommendation that recourse be made to the Disciplinary Procedure or referral to the appropriate external agency.

The Whistleblowing Hotline provider may also recommend urgent action to curtail alleged malpractice prior to further investigation; this may include a recommendation that the matter:-

- be investigated internally;

- be referred to the Police;
- be referred to the external auditor; or
- form the subject of an independent inquiry.

You may be required to be a witness in any investigatory or other process and regarding any subsequent proceedings which may arise as a result.

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

Protection against victimisation

- 6.1 You will be given support and protection to allow you to feel confident in making a disclosure.
- 6.2 Where you make a disclosure of malpractice, the Council are required to take appropriate action to ensure that you are protected from any form of victimisation, bullying or harassment.
- 6.3 Victimisation, bullying or harassment of anyone making a disclosure will be regarded as a serious disciplinary offence/gross misconduct. It will also be regarded as a serious disciplinary offence to attempt to deter someone from making a disclosure.

Anonymous disclosures

- 7.1 If a disclosure is made anonymously this could make it difficult for the Whistleblowing Hotline provider or Manager within the Council to deal with the disclosure effectively. It will be challenging to obtain further information which might facilitate a full investigation. It may also be difficult to assess whether the disclosure is protected. You are therefore strongly encouraged to make yourself known when making a disclosure under this Policy.
- 7.2 Making yourself known will help to ensure that the Council complies with the requirement to process data fairly under the Data Protection Act 1998.
- 7.3 Disclosures which are made anonymously will still be considered under this Policy, with careful consideration given to their investigation. Where it is considered that an allegation may be made without foundation it may not be progressed.
- 7.4 If an anonymous disclosure cannot be progressed due to lack of information, it will be held on record by the Whistleblowing Hotline provider and may form part of a future investigation. The record of disclosure will be held for 6 years, except where separate retention rules apply.

Disclosures to external bodies

- 8.1 The purpose of this Policy is to create the conditions in which you feel confident to raise matters of concern. It is also recognised that there may be circumstances where matters may be properly

reported to certain external bodies (other than the Whistleblowing Hotline provider).

8.2 Certain external bodies to which matters may be properly reported are known as ‘prescribed persons’. A list of prescribed persons is made available by the Secretary of State, who currently lists more than 50 regulatory bodies to whom protected disclosures can be made. It can be found at <https://www.gov.uk/whistleblowing/how-to-blow-the-whistle>

8.3 In circumstances where you decide to raise the matter externally, you will only be protected under this Policy, and under employment law, where the disclosure is made in accordance with the Act.

8.4 This means that the disclosure must fall under one of the categories listed in paragraph 2.5 regarding malpractice and must be made in one of the following ways:

8.4.1 in the course of obtaining legal advice;

8.4.2 to a prescribed person (as noted at paragraph 8.2 above):-

- in the reasonable belief that the relevant failure falls within the prescribed person’s area of concern; and
- in the reasonable belief that the information is substantially true.

8.4.3 to other third parties (including your regulatory or professional body when appropriate) where you make the disclosure:-

- in the reasonable belief that the information is substantially true;
- otherwise than for personal gain;
- in the reasonable belief that you will be subjected to a detriment by the Council; in circumstances where there is no prescribed person, in the reasonable belief that evidence relating to the relevant failure will be concealed or destroyed by the Council; or you have already raised the matter with the Whistleblowing Hotline provider, the Manager within the Council or prescribed person; and
- where in all of the circumstances it is reasonable to make the disclosure.

8.4.4 the disclosure is of an exceptionally serious nature and you make the disclosure:

- in the reasonable belief that the information is substantially true; and
- otherwise than for personal gain; and
- where in all of the circumstances it is reasonable to make the disclosure.

Contact with the media

9.1 This Policy has been developed to enable you to express concerns on the basis that it is in the public interest to make such matters known to the Whistleblowing Hotline provider or a Manager within the Council. However, reporting of a concern does not mean that such matters should be made available for public consumption through the media and/ or social media.

- 9.2 Disclosure to the media is prohibited during the course of, or after completion of an investigation either conducted internally or via those external bodies known as ‘prescribed persons’. Disclosure to the media in these circumstances may lead to disciplinary action against you.

Implementation

- 10.1 The effective date of implementation is 23 May 2019.
- 10.2 All employees and workers will be made aware of the revised policy through established communications channels and the mandatory policy awareness exercise.
- 10.3 In accordance with the Council’s Record Retention Scheme, details of all whistleblowing concerns and investigations will be retained for 6 years from the close of the investigation, except where separate retention rules apply (including, but not limited to child protection matters).

Related documents

- 11.1 [Finance and Resources Committee 19 September 2013: item 7.2 - Revised Whistleblowing Policy](#)
- 11.2 [Finance and Resources Committee 27 August 2015: item 7.13 - Review of Whistleblowing Arrangements](#)
- 11.3 [Finance and Resources Committee 27 March 2018: Item 7.4 - Whistleblowing Policy](#)

Equalities and impact assessment

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

Strategic environmental assessment

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

Risk assessment

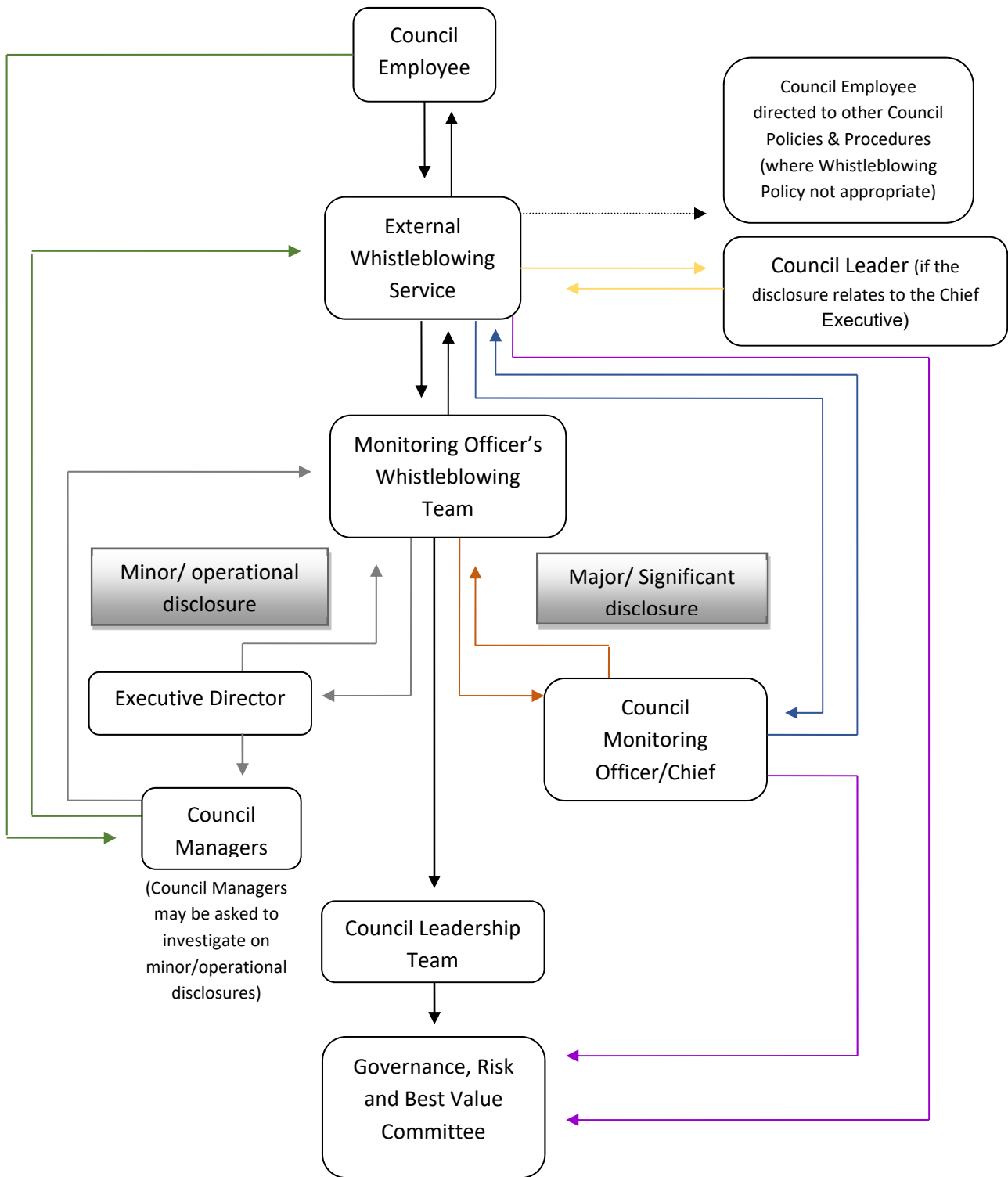
- 14.1 The whistleblowing policy was developed and agreed to complement existing management reporting arrangements and to ensure employees have the right to raise concerns in the knowledge that they will be taken seriously, that matters will be investigated appropriately and confidentiality will be maintained.
- 14.2 The revised policy is fully compliant with legislative requirements and good employment practice.

Local agreement

- 15.1 This policy is a local collective agreement between the Council and the recognised trade unions. Every effort will be made by both parties to make sure that this policy is reviewed regularly and amended by agreement, if required to meet future needs. In the event of a failure to reach agreement both parties reserve the right to end this local agreement by giving four months notice in writing. In such circumstances the terms of the local agreement will no longer apply to existing and future employees.

Review

- 16.1 This policy will be added to the Council's policy register and will be reviewed annually to reflect organisational changes, best practice, operational experience and legislative updates.



Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Information and Communications Technology Acceptable Use Policy 2019

Item number	7.21
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

- 1.1 To approve the updated Information and Communications Technology Acceptable Use Policy 2019.

Stephen S. Moir

Executive Director of Resources

Contact: Nicola Harvey, Head of Customer and Digital Services,
Customer and Digital Services, Resources Directorate

E-mail: Nicola.harvey@edinburgh.gov.uk | Tel: 0131 123 4567

Finance and Resources

Information and Communications Technology Acceptable Use Policy 2019

2. Executive Summary

- 2.1 The Policy Statement on Information and Communications Technology Acceptable Use Policy 2019 is being updated to meet the requirement under the Information Security Policy to publish a statement on the Acceptable Use Policy.
- 2.2 The updated Acceptable Use Policy has been written in line with best practice guidelines encapsulated in the Scottish Government's Cyber Security Resilience Framework and the Cyber Resilience strategy for Scotland.

3. Background

- 3.1 The ICT Acceptable Use Policy was last revised in December 2014. As part of our commitment we have updated the ICT Acceptable Use Policy 2019 to align with current best practice, legislation and to better defend against emerging and increased cyber-security threats to our operations. This update to the policy will also enable the Council to implement and support the closure of some Internal Audit findings.

4. Main report

- 4.1 The information contained in the ICT Acceptable Use Policy 2019 is based on guidance as at January 2019. The ICT Acceptable Use Policy has been written in line with guidance from the Council's Cyber Security specialists, the Information Governance Uni Cyber, including the statutory Data Protection Officer, CGI's Security Team, Scottish Government and that published by other public agencies and authorities such as the National Cyber Security Centre.
- 4.2 This policy applies to all 'individuals' (Councillors, employees, contractors, agency workers, volunteers and agents) who use our information and ICT equipment.

5. Next Steps

- 5.1 The updated Policy on ICT Acceptable Use will be published on the council website in June 2019.
- 5.2 The existence of the updated policy and the requirements it places on those who use the Council's ICT systems will be communicated and embedded through local induction arrangements and by building this into our Cyber Security Awareness and Training Programme and associated contractual provisions for external suppliers.

6. Financial impact

- 6.1 A breach of cyber security and, or subsequent breach of the General Data Protection Regulations (GDPR) due to not achieving the standards and best practices of the Scottish Government's Public Sector Cyber Security Action Plan and other best practice frameworks could lead to significant financial penalties.

7. Stakeholder/Community Impact

- 7.1 The ICT Acceptable Use Policy 2019 outlines our commitment to support the users of technology and deliver a Council that works for all its citizens.

8. Appendices

- 8.1 Appendix 1 – Policy Statement.

Policy Statement: Acceptable Use of Information and Communications Technology

May 2019

It is the aspiration of the Council to create a culture which recognises the importance in the safe use of information and communications technology (ICT) for work purposes. This acceptable use policy has been written not only to protect Council electronic assets, data and information but to ensure that best practice is followed.

Author

Customer and Digital Services, with contributions from members from the Council's Cyber and Information Security Steering Group.

Scope

This policy applies to all Council employees, Councillors, Contractors, agency workers, volunteers and agents who use our information and ICT Equipment.

Purpose

The purpose of this policy is to provide a clear framework to be applied by the Council which governs the use of its network, website, digital services and data security.

Review

The policy will be reviewed as and when a change to the existing policy deems this necessary, primarily because of: changes to legislation, best practice and guidance from specialist bodies such as the National Cyber Security Centre (NCSC).

ICT Acceptable Use Policy 2019

1. General Applicability
2. System Access
3. Internet email and social media use
4. Clear desk, clear screen and secure print
5. Working remotely
6. Software use
7. Telephony (Voice) equipment use
8. Actions upon termination of office / employment / engagement
9. Reporting
10. Appendix 1 – Legal provisions

1. GENERAL APPLICABILITY

This policy covers the security and use of all Council information and Information and Communications Technology (ICT) equipment. It also includes the use of: e-mail, the internet, voice, and mobile IT or associated systems (e.g. printers, phones etc.).

Technology is increasingly used to process and share information both internal and external to the Council and must be undertaken in a manner that fully protects the rights of individuals and the reputation of the Council. It is also governed by legislation that is often updated following events or as technology evolves.

Individuals are required to review and fully adhere to this policy but should always take advice as described throughout this document.

This policy applies to:

- all 'individuals' (Council employees, Councillors* contractors, agency workers, volunteers and agents who use our information and IT equipment);
- all information, in whatever form, relating to our business activities worldwide;
- all information handled by us relating to other people and organisations with whom we deal. It also covers all IT and information communications facilities operated by us or on our behalf.

**Councillors must also abide by the specific and supplementary requirements relating to ICT in the Councillors' Code of Conduct.*

Misuse of computer equipment

This is a serious offence governed by law (Computer misuse act 1990). Failure to follow this acceptable use policy may result in:

- disciplinary action including immediate dismissal; and
- a report being made to the Police or
- other legal action being taken.

All data that is created and stored on our computers or systems, operated on our behalf, is the property of the Council and there is no official provision for individual data privacy. However, wherever possible, we will avoid opening personal emails.

IT system activity will be logged where appropriate, and investigations will be commenced where reasonable suspicion exists of a breach of Council policy or where a law has been broken.

Monitoring and Controls

The Council have the right (under certain conditions) to monitor activity on our systems, including the use of internet, email, and other forms of electronic communication, to ensure system security and effective operation, and to protect

against misuse. Any monitoring will be carried out in accordance with audited, controlled internal processes and in-force legislation.

Relevant legislation that applies to the use of Council computer systems is shown in Appendix 1.

Changes in Guidance

Best practice around both cyber and information security continues to evolve. The Council also looks to introduce both new technologies and make changes to existing ones to improve its operation. Therefore, individuals who use our systems should pay attention to the latest guidance around best practice that will be provided on our intranet or by email.

For additional information or clarification see the ICT Security Web Pages on our intranet or contact Cyber Security within Digital Services at ict.security@edinburgh.gov.uk

2. SYSTEM ACCESS

Access to our systems is controlled using user identification numbers (user IDs), PIN numbers, passwords and/or tokens.

All user IDs and passwords are uniquely assigned to named individuals. Consequently, each named individual is accountable for their actions on our IT systems.

Individuals must not:

1. Allow anyone else to use their user ID, token, or password on any Council IT system.
2. Leave their user accounts logged in at an unattended and unlocked computer.
3. Use someone else's user ID and password to access the Council's IT systems.
4. Leave their password unprotected, for example write it down thereby making visible to others.
5. Make unauthorised changes to our IT systems or information.
6. Attempt to access data that they're not authorised to use or access.
7. Exceed the limits of their authority or their specific business need to use the system or data.
8. Connect any non-Council authorised device to our network or IT systems.
9. Store Council data on any non-authorised Council equipment.
10. Give or transfer our data or software to any person or organisation outside the Council without our authority.
11. Use computer equipment as a means of breaching our policies or to break the law.
12. Look to subvert any IT or other security measures in place.

Line managers must ensure that individuals are given clear direction on the extent and limits of their authority regarding use of IT systems and data.

3. INTERNET, E-MAIL AND SOCIAL MEDIA USE

Council internet, email, and electronic communication is intended for business use. Reasonable personal use is permitted where:

- it doesn't affect the individual's business performance;
- the use is not detrimental to the Council in any way;
- the use is not in breach of any term and condition of employment; and,
- the use does not place the individual or the Council in breach of statutory or other legal obligations.

All individuals are personally accountable for their actions on the internet and email systems.

Individuals must not:

1. Use the internet, e-mail or social media with the purpose of harassing, bullying, abusing, intimidating or victimising individuals or groups.
2. Use the internet, e-mail or social media to breach the Public Sector Equality Duty or the Council's policies in respect of Equality, Diversity and Rights.
3. Use profanity, obscenities or derogatory remarks in any communications using the internet, e-mail or social media.
4. Download, send, forward or fail to delete any data which the Council considers offensive in any way, including sexually explicit, discriminatory, defamatory or libellous material.
5. Use the internet to research, access or disseminate extremist material in contravention of any UK Counter Terrorism legislation.
6. Use the internet, email or social media to:
 - a. make personal gains or conduct a personal business,
 - b. gamble,
 - c. breach any other Council policy or
 - d. break the law.
7. Use the internet, email or social media without approval from their line manager or the Council's Cyber Security Team to:
 - a. Place any information on the internet that relates to the Council or, expresses any opinion about the Council.
 - b. Send personal, sensitive or confidential information externally about any 3rd party without ensuring appropriate encryption is in place.
 - c. Forward Council email or upload data to a personal (non-Council) email account (for example a personal Hotmail account).
 - d. Download data from a personal (non-Council) email account (for example a personal Hotmail account) or external cloud storage provider (for example Google Drive) into Council email or file storage systems.

- e. Make official commitments through the internet or email on behalf of the Council unless authorised to do so.
8. Use the internet, email or social media in a way that could affect their reliability or effectiveness, for example distributing chain letters or spam.
9. Download copyrighted material such as eBooks, music media (MP3) files, film and video files, JPEGs, GIFs, or other material without appropriate approval.
10. In any way infringe any copyright, database rights, trademarks, or other intellectual property.
11. Download or install any software from the internet or other sources without prior approval from Customer and Digital Services.
12. Connect Council assets to the internet using non-standard or not approved connections (for example, unsecured Wi-Fi without a password).

If you're unsure in anyway about adhering to the above, please speak to your line manager or contact the Cyber Security Team in Customer and Digital Services.

You should be aware of phishing activities and take steps to prevent them. Unexpected or suspicious emails should not be opened and instructions contained in them should not be followed. Report the email in line with current guidance.

Line managers must ensure individuals are given clear direction on the extent and limits of their authority regarding access to the internet.

Social media use

All communications that individuals make through social media which reference the Council or their role in the Council, must not bring the Council into disrepute, **and must not:**

1. Criticise, disagree, or argue with citizens, service users, colleagues or managers;
2. Make defamatory comments about individuals or other organisations / groups;
3. Contain images that are inappropriate or links to inappropriate content;
4. Agree with or condone inappropriate comments or content;
5. Breach confidentiality, for example by: referring to sensitive or confidential information about an individual (such as a colleague or service user) or the Council.

Individuals must not do anything that could be considered: discriminatory, intimidatory, bullying or harassment, to any individual or group of individuals, and in contravention of the Council's statutory duties, policies or procedures, for example by:

1. Making offensive or derogatory comments relating to groups covered by protected characteristic as detailed in the Equality Act 2010. (See appendix 1 – Legal Provisions).
2. Using social media to bully another individual (such as an employee of the Council).
3. Posting images that are discriminatory, bullying or offensive or links to such content.
4. Agreeing with or condoning inappropriate comments or content that are discriminatory, bullying or offensive.

The above list is not exhaustive but provides examples illustrating misuse. Individuals are encouraged to talk to their line manager and seek advice if they're unclear.

4. Clear desk, clear screen and secure print

To reduce the risk of unauthorised access or loss of information, the Council enforce a clear desk and screen procedure. Personal or confidential business information must be protected using security features provided.

Individuals must ensure that:

- Devices are logged off or locked or protected with a screen locking mechanism when unattended.
- Steps are taken to ensure computer screens are protected from people looking over their shoulder when confidential information is displayed.
- Passwords or other confidential information used to access computers are not left written down on a desk or screen or are easily accessible by others.
- Other electronic media, for example, authorised USB sticks, are not left unattended at any time.
- Documents are printed using the secure print (PIN required) feature on printers.
- Confidential material is not left unattended on desks, meeting rooms, or on printers or photocopiers.
- All Council related printed matter must be disposed of in confidential waste bins or shredded.
- Workstations are left clear at the end of a working day/shift, including portable ICT devices shut down, removed from the desk and locked away securely.

5. Working Remotely

It's accepted that laptops and mobile devices will be taken off-site to working remotely for business purposes. Working away from the office, including at home, must be in line with the following guidelines.

The following controls must be applied:

1. IT equipment and devices must not be left unattended in public places and must not be left visible in a vehicle, whether Council owned or not.
2. Laptops must be carried as hand luggage when travelling.
3. Steps will be taken to ensure device screens are protected from people looking over your shoulder or nearby CCTV coverage; be aware of who is around you.
4. Take the precaution to protect information against loss or compromise when working remotely; assess your surroundings.
5. Take care when using mobile devices in public places, for example laptops, mobile phones, smartphones, and tablets; assess your surroundings.
6. Mobile devices that hold data must be protected at least by a password or a PIN or alternate approved security methods, and by device encryption.
7. Only connect computers and mobile devices to secure Wi-Fi networks, including home networks. You should refrain from transmitting sensitive or personal or otherwise confidential information via public Wi-Fi, for example in coffee shops or on trains.
8. Only use personal laptops, smartphones, and tablets for Council business once authorisation is obtained from Customer and Digital Services. This may require the installation of specialist device management software to protect the security of our data.
9. Always use computers, mobile devices, and phones safely and in accordance with other legislation, for example do not drive and use a mobile device, comply fully with the provisions of all health and safety guidance and other Council policies and procedures.
10. Printed material must be disposed of by using a cross cut shredder or placed in a confidential waste bag at your work location.

Travel outside the UK

Council ICT equipment must not be taken outside the UK without Customer and Digital Services agreement and in-line with the current National Cyber Security Centre or UK Government guidelines, this is applicable to all Council employees, Councillors, contractors, agency workers, volunteers and agents.

Clean devices, not containing data, may have to be provided for the trip. There may be strict requirements about where and when devices are used and what happens to them on return; this will be in line with NCSC guidance at the time of the journey. In some countries government or other agencies may try to obtain information from computers or install malicious software that may not be detectable by standard virus protection.

Advice: If planning a trip outside of the UK, please make sure to engage with Customer and Digital Services early to avoid possible issues at time of travel.

Portable storage devices

Due to the increased possibility of data loss or inappropriate access, care must be taken when using data stored on portable storage devices. Mobile devices such as memory sticks, CDs, DVDs and removable hard drives must be used only in situations when network connectivity is unavailable or there's no other secure method of transferring data. Get advice from ICT Solutions before using any devices. The G drive is the Council's primary method of storage - appropriate guidance should be sought from Information Governance if a change to this is required.

Only use Council authorised mobile storage devices with encryption enabled when transferring sensitive or confidential data. Individually purchased memory sticks cannot be used.

If memory sticks are found in the office or in the street they should not be inserted into a Council computer but should be delivered to Cyber Security.

Line managers must ensure individuals are given clear direction on the extent and limits of their authority regarding the use of ICT systems, devices or data away from the office.

6. SOFTWARE USE

Individuals must use only software that is authorised by the Council on authorised computers, smartphones, and tablets when performing Council business.

Procurement and ICT must approve any purchases of IT software or hardware in line with Council standing orders. Authorised software must be used in accordance

with the software supplier's licensing agreements. All software and computer procurement must be obtained through approved channels and installed by ICT Solutions and its IT suppliers.

Individuals must not:

1. Store personal files such as music, video, photographs, or games on our IT equipment.
2. Install unauthorised copies of software, freeware, or shareware on our IT equipment.
3. Install games, music and video streaming, gambling, or shopping applications on our IT devices.
4. Use any software, already installed on our IT equipment, for unauthorised purposes.

Customer and Digital Services, working with our strategic ICT partner, has implemented automated virus, malware, and other detection software to detect and prevent malicious or unwanted activity within the Council. All PCs, laptops and smartphones have such software installed. Individuals must not try to subvert or bypass the operation of this software. Attempts should not be made to remove malware: potentially infected machines should be switched off, disconnected from the network and reported to the ICT Service desk.

7. TELEPHONY (VOICE) EQUIPMENT USE

Our voice equipment is for business use. Individuals must not use our voice facilities for sending or receiving private communications on personal matters, except when agreed with their line manager. All non-urgent personal communications should be made at an individual's own expense using alternative means of communications.

Individuals must not:

1. Use our voice equipment for conducting private business activities.
2. Make hoax or threatening calls to internal or external destinations.
3. Use telephones to breach our policies (for example, Avoidance of bullying and harassment at work policy) or to break the law.
4. Accept reverse charge calls unless authorised or in exceptional circumstances.

Phishing scams by phone

Individuals should be aware of phishing activities initiated by phone or text and take steps to prevent them. Terminate unexpected or suspicious conversations and do not follow requests made during the call. Report any contact of this type in line with current guidance.

Line managers must ensure that individuals are given clear direction on the extent and limits of their authority regarding the use of telephone systems in or away from the office.

8. ACTIONS UPON TERMINATION OF OFFICE / EMPLOYMENT / ENGAGEMENT

At termination of contract all our equipment and data, for example laptops and mobile devices including telephones, smartphones, USB memory devices, CDs and DVDs, must be returned in line with our leavers' process. Where people fail to return devices correctly, then the Council reserves the right to pursue this and to take all appropriate measures, including legal action where necessary.

Individuals leaving our employment should ensure that they know of the behaviours expected of them after they have left in line with other Council policies. For example, accessing or attempting to access data or a Council computer system that they are no longer entitled to use is a criminal offence. Relevant legislation is shown in the Appendix 1 – Legal provisions.

9. REPORTING

It's every individual's responsibility to report suspected breaches of this policy, other security policies and data protection breach procedures immediately to any one of the following:

- Line manager,
- ICT Security,
- Information Governance Unit, within Strategy and Communications,
- The CGI Service desk as a security incident.

All breaches of information security policies will be investigated. Where investigations reveal misconduct, disciplinary action can be taken.

10. APPENDIX 1 – LEGAL PROVISIONS

The Computer Misuse Act 1990 amended by the Police and Justice Act 2006 states that:

- Unauthorised access to computer-based material is punishable by up to two years in prison or a fine or both.
- Unauthorised acts with intent to impair operation of a computer, etc. is punishable by up to 10 years in prison or a fine or both.

For example, it would be a criminal offence for an individual to access a Council system just because they knew a colleague's password. This could lead to two years in prison.

The Data Protection Act 1988 and Regulation (EU) 2016/679 (General Data Protection Regulation) sets out what may or may not be done with personal data (that is any information that identifies a living individual).

It states that it is an offence to obtain knowingly or recklessly, disclose, or procure the disclosure of personal information without the consent of the data controller. The offence is punishable by various means and could lead to fines on organisations of up to €20 million or 4% of global annual turnover for the preceding financial year.

For example, it would be contrary to GDPR for an individual to take home a list of citizens' names and address that might be useful to a friend in their plumbing business.

The 1988 Copyright, Designs and Patents Act governs the use of a 'work' created by an individual or company. A "work" is defined as something that is original, created with effort and a tangible entity - an idea cannot be copyright. If a work is produced as part of employment, then the owner will normally be the company that is the employer of the individual who created the work.

It is an offence to perform any of the following acts without the consent of the copyright owner: copy the work; rent, lend the work to the public; broadcast or show the work in public; or adapt the work.

For example, an individual may commit an offence by carrying out the above acts with work they have created while in our employment, e.g. showing documents, they wrote on how to manage Council procurement to a third party. An offence could also be committed with work that is licensed for use in the Council, e.g. copying training material that an individual found useful.

The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society. It replaced previous anti-discrimination laws with a single Act, making the law easier to understand and strengthening protection in some situations. It sets out the different ways in which it is unlawful to treat someone.

The Equality Act 2010 covers the same groups that were protected by existing equality legislation – age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity.

Other relevant legislation:

<ul style="list-style-type: none"> • Civil Evidence (Scotland) Act 1988 • Copyright (Computer Programs) Regulations 1992 • Freedom of Information (Scotland) Act 2002 • Human Rights Act 1998 • Counter Terrorism and Security Act (2015); Prevent Guidance 	<ul style="list-style-type: none"> • Official Secrets Act 1989 • Criminal Procedure (Scotland) Act 1995. • Public Records Acts 1958 & 1967 • Regulations of Investigatory Powers (Scotland) Act 2000. • Serious Organised Crime and Police Act 2005 	<ul style="list-style-type: none"> • The Civil Contingencies Act 2004 • The Communications Act 2003 • The Telecommunications (Lawful Business Practice Interception of Communications) Regulations 2000 • Wireless Telegraphy Act 2006
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Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Accounts Commission – Local Government in Scotland: Challenges and Performance 2019

Executive/routine	Routine
Wards	
Council Commitments	

1. Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 note the contents of the report; and
 - 1.1.2 refer the report to the Governance, Risk and Best Value Committee for its consideration.

Andrew Kerr

Chief Executive

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Executive Director of Resources

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Accounts Commission – Local Government in Scotland: Challenges and Performance 2019

2. Executive Summary

- 2.1 On 21 March 2019, following the earlier publication of its 2017/18 Financial Overview, the Accounts Commission issued a complementary, forward-looking report assessing councils' readiness to confront the growing challenges that lie ahead. Echoing the recommendations made in previous years, the report emphasises the importance of effective financial and workforce planning and the need for councils to go beyond delivery of efficiencies to embrace service transformation, closer working with partners and greater responsiveness to, and empowerment of, their communities. Given increasing service demand and on-going decreases in real-terms funding availability, addressing these challenges is also likely to require prioritisation of services, with both members and officers needing to be accountable for those choices.

3. Background

- 3.1 At the meeting of the Governance, Risk and Best Value Committee on 15 January 2019, members considered the key findings of the Accounts Commission's Financial Overview 2017/18 report. The report reiterated a number of the key messages included within 2016/17's overview, particularly around on-going challenges for councils in reconciling increasing, mainly demographic-led service demand with real-terms reductions in external funding. Relative expenditure on education and social care services continued to increase in 2017/18, offset by necessary reductions in other service areas and targeted use of earmarked reserves to maintain financial balance by councils.
- 3.2 Given the likelihood of continuing decreases in real-terms funding, at least into the medium-term, the report reiterated the on-going need to deliver further efficiency savings and, more fundamentally, address demand in more efficient and effective ways if financial sustainability is to be secured. This will require difficult decisions and innovative thinking from both officers and councillors, particularly in health and social care where opportunities for improved financial management and planning by Integration Joint Boards (IJBs) have been highlighted. This need for continuing savings emphasises the importance of medium and longer-term financial planning, with decisions requiring to be taken in the knowledge of anticipated impacts on both communities and the attainment of corporate objectives.

- 3.3 As in 2017/18, the Financial Overview report has subsequently been supplemented by a follow-up *Challenges and Performance* report, released on 21 March 2019, 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 latter report intentionally complement those set out in the earlier Financial Overview.
- 3.4 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.
- 3.5 In view of its Scotland-wide coverage, the report's contents are correspondingly general with few Edinburgh-specific references, albeit many of the underlying issues presented resonate with those faced within the city. 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 25 September 2018. It is also anticipated, at this stage, that the Council will be subject to an external Best Value Audit towards the end of 2019/20.

4. Main report

Overview of report and key messages

- 4.1 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 page 11. This section also includes an overview of Scotland-wide initiatives to foster improved outcome-focused joint working, including health and social care integration, and greater empowerment of communities. This more complex governance and accountability landscape requires both members and officers to understand their roles and responsibilities clearly and, where applicable, develop their skills accordingly.
- 4.2 Given the continuing expenditure pressures arising from demographic change, 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 increased savings requirement for "non-protected" services outside these areas such as planning and development services, culture and related services and roads and transport. 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 service areas. Against a backdrop of reducing resources, protection needs to be relative rather than absolute, with all functional areas requiring to contribute to meeting overall savings targets.

- 4.3 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, development and maintenance of comprehensive workforce plans and further control of sickness absence levels, all grounded upon accurate and timely data. In addition, it highlights a need for effective leadership in considering, on a holistic basis, all options for service delivery and transformation, underpinned by robust scoping and option appraisal and early and full engagement with users and staff. The particular challenges facing integration joint boards in delivering improved outcomes for service users are usefully summarised in Exhibit 5 on page 27.
- 4.4 Pages 34 to 46 provide a high-level overview of Scotland-wide performance across a range of key council services and attainment of related national outcomes, drawing in particular upon quantitative and qualitative data contained within the recently-published Local Government Benchmarking Framework (LGBF) report for 2017/18. The Accounts Commission report notes that, in some areas, the combination of increasing demand and real-terms reductions in spending have contributed to reduced satisfaction levels and, in some cases, a failure to meet statutory duties.
- 4.5 An overview of the Council's comparative performance as reflected within the LGBF will be reported to the Corporate Policy and Strategy Committee on 14 May, with the Performance Report for 2018/19 then considered by Council on 27 June. The intelligence gained from this and other benchmarking exercises will continue to inform the Council's own service improvement plans.

5. Next Steps

- 5.1 In view of the report's Scotland-wide coverage, there are no specific resulting actions for the Council. Many of the issues highlighted within the report, nonetheless, form the backdrop to its wider financial and service planning.

6. Financial impact

- 6.1 While there is no specific additional impact arising directly from the report's contents, both this and the related Financial Overview report re-emphasise the importance of long-term financial planning in balancing the delivery of national commitments and local services against a backdrop of increases in underlying service demand and real-terms funding reductions.

7. Stakeholder/Community Impact

- 7.1 The report reiterates the importance of councils seeking innovative and collaborative ways of working with communities, partners and the third sector and, in particular, demonstrating the resulting outcomes achieved for their residents.

8. Background reading/external references

- 8.1 [Accounts Commission: Local Government in Scotland – Financial Overview 2017/18](#), Governance, Risk and Best Value Committee, 15 January 2019
- 8.2 [City of Edinburgh Council – 2017/18 Annual Audit – Report to the Council and the Controller of Audit](#), Governance, Risk and Best Value Committee, 25 September 2018
- 8.3 [Local Government Benchmarking Framework National Benchmarking Overview Report 2017/18](#)

9. Appendices

[Accounts Commission National Report: Local Government in Scotland: Challenges and Performance 2019](#)

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Accounts Commission – Safeguarding public money: are you getting it right?

Executive/routine Wards Council Commitments	Routine
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1. Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 note the contents of the report; and
 - 1.1.2 refer the report to the Governance, Risk and Best Value Committee for its consideration.

Andrew Kerr

Chief Executive

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Accounts Commission – Safeguarding public money: are you getting it right?

2. Executive Summary

- 2.1 As part of its *How councils work* series, the Accounts Commission has published a good-practice guide highlighting the critical importance of effective risk management, robust internal controls and strong scrutiny and governance to prioritisation of councils' finite resources.

3. Background

- 3.1 In assisting councils to improve their use of public money and support a process of continuous improvement, the Accounts Commission has issued a number of previous reports as part of the *How councils work* series. On 11 April, the Commission published *Safeguarding public money: are you getting it right?* with a specific focus on promoting the crucial role of robust internal controls, effective risk management and strong scrutiny and governance. Against a backdrop of growing demand for services, reducing funding and an increasingly uncertain and complex organisational landscape, these areas have never been more important in contributing to safeguarding available resources, implementing approved policies and delivering high-quality services.
- 3.2 The report is aimed, in particular, at elected members in ensuring that they:
- (i) have a good understanding of the main risks facing their council and how well these risks are being managed;
 - (ii) are assured that appropriate internal controls are in place and, where weaknesses have been identified, effective action is being taken to address them; and
 - (iii) are kept aware of the outcome of any significant risk occurring; the failure of internal controls; and what remedial actions are being taken.
- 3.3 Given the very wide coverage of the report, it is not practicable to assess current Council practice against all of the areas and detailed questions highlighted. In undertaking this assessment, however, members may nonetheless wish to refer to some or all of the documents included in the background reading section of the report.

4. Main report

- 4.1 The report is presented in three distinct sections. Part 1 on pages 7 to 13 initially reminds members of the key components and measures comprising a robust internal control framework, emphasising management's responsibility to maintain and review, at least annually, the effectiveness of the controls in place. The conclusions arising from this assessment should then inform the content of the council's Annual Governance Statement.
- 4.2 The first section of the report goes on to consider the main elements of an effective risk management cycle, summarised in Exhibit 2 on page 10, before exploring the role of risk registers and the importance of the clear articulation of a council's risk appetite. In common with the remaining sections, the section concludes with a councillor checklist comprising a number of suggested questions to assess existing areas of strength and identify those for potential improvement.
- 4.3 Part 2 of the report, on pages 15 to 17, sets out the potential implications of shortcomings in councils' internal control frameworks with reference to a series of anonymised case studies. At a general level, recent external auditors' reports have indicated a tendency towards growing weaknesses in the robustness of these frameworks, often linked to staffing reductions. While acknowledging the challenges that such staffing reductions create, this does not detract from senior management's primary responsibility to ensure that the system of internal controls and risk management works effectively and that a council's internal auditing function is adequately resourced to continue to provide a valuable and objective view of the efficacy of these arrangements.
- 4.4 The report then explores management's responsibilities with regard to the prevention and detection of fraud, highlighting the work of the National Fraud Initiative on pages 18 and 19, before considering the important role of whistleblowing on page 20. Corresponding checklists in these areas are then provided, with the chapter concluding by considering the external auditor's responsibilities with regard to reporting significant deficiencies in the audited body's systems of internal control.
- 4.5 Part 3 of the report proceeds to consider the role of councillors in the safeguarding and efficient and effective use of public money, summarising these responsibilities in Paragraph 41 on page 24. Pages 25 to 26 then consider means of enhancing the role of elected member scrutiny and characteristics of an effective audit committee.
- 4.6 The report outlines the increasingly complex governance landscape including, but not limited to, community planning partnerships, integration authorities, arm's length external organisations (ALEOs) and city region and growth deals. Within this context, the importance of effective new elected member induction and continuing professional development is highlighted.
- 4.7 The penultimate section of the report explores the role and responsibilities of a number of statutory officers, namely the head of paid service, chief financial officer,

monitoring officer and chief social work officer. Finally, the roles, responsibilities and characteristics of an effective internal audit section are set out, highlighting the requirement of Public Sector Auditing Standards for the chief internal auditor to highlight to the audit committee the impact of any resource limitations as part of ensuring that the function is suitably staffed, has unfettered access to the chief executive and elected members and has sufficient impact to escalate concerns where recommendations are not being implemented wholly and promptly.

5. Next Steps

- 5.1 The Governance, Risk and Best Value Committee will continue to consider a range of reports assessing the adequacy of the Council's governance framework, including the system of internal control and risk management arrangements. These include, but are not limited to, Directorate assurance statements considered prior to their inclusion in the annual governance statement and the key findings of the external auditor's review of the Council's internal control framework, scheduled for consideration at the August meeting of the Governance, Risk and Best Value Committee.

6. Financial impact

- 6.1 While there is no direct impact of the report's contents, it nonetheless emphasises the contribution of effective internal controls and robust risk management arrangements to maximising the availability of resources to support the delivery of priority outcomes.

7. Stakeholder/Community Impact

- 7.1 While there is no direct impact of the report's contents, the benefits of co-ordinated partnership working and empowerment of communities are highlighted.

8. Background reading/external references

- 8.1 [Internal Audit Plan 2019/20](#), Governance, Risk and Best Value Committee, 19 March 2019
- 8.2 [External Audit Plan 2018/19](#), Governance, Risk and Best Value Committee, 19 March 2019
- 8.3 [Whistleblowing Annual Report](#), Governance, Risk and Best Value Committee, 19 March 2019
- 8.4 [Corporate Leadership Team Risk Update](#), Governance, Risk and Best Value Committee, 19 February 2019
- 8.5 [Internal Audit: Capacity to Deliver the 2018 Audit Plan as at 22 October 2018](#), Governance, Risk and Best Value Committee, 27 November 2018
- 8.6 [Corporate Governance Framework Self-Assessment](#), Governance, Risk and Best Value Committee, 27 November 2018
- 8.7 [Internal Audit Training Assessment and Feedback](#), 30 October 2018

- 8.8 [The City of Edinburgh Council: Annual Audit Report to the Council and the Controller of Audit 2017/18](#), Governance, Risk and Best Value Committee, 25 September 2018
- 8.9 [Internal Audit Capacity to Deliver 2018/19 Audit Plan](#), Governance, Risk and Best Value Committee, 28 August 2018
- 8.10 [External Audit Review of Internal Controls 2017/18](#), Governance, Risk and Best Value Committee, 28 August 2018

9. Appendices

[Accounts Commission – How councils work: an improvement series for councillors and officers – Safeguarding public money: are you getting it right?](#)

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Award of Framework Agreement – Supply and Distribution of Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs

Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the award of a single supplier Framework Agreement to George Carruthers & Sons Limited for the Supply and Distribution of Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs from 1 July 2019 until 30 June 2022 with the option to extend for a further 12 months to 30 June 2023.

Stephen S. Moir

Executive Director of Resources

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Report

Award of Framework Agreement – Supply and Distribution of Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs

2. Executive Summary

- 2.1 This report seeks approval to award a single supplier Framework Agreement to George Carruthers & Sons Limited for the supply and distribution of Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs. The Framework Agreement will be for a period of three years with the option to extend for one further year.
- 2.2 The total estimated Framework Agreement value over the four-year period is £2.6m and the estimated savings are 15.23% - £115,251 per annum (£461,004 over the potential 48 months of the arrangement).

3. Background

- 3.1 The Council has a recurring requirement for the provision of Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs to schools, Health & Social Care establishments (including day centres and care homes) and staff restaurants as required. This Framework Agreement will support the duties established by the Schools (Health, Promotion and Nutrition) (Scotland) Act 2007 and the standards set out by the Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2008.
- 3.2 The Council's aim is to increase the proportion of fresh food that is served in these establishments by using quality fresh ingredients in the preparation of food. Nutritionally balanced meals will assist in encouraging people to make healthier choices and in turn hopefully help to reduce obesity, heart disease and diabetes. In addition, food products must comply with nationally recognised Saffron Nutrition Analysis Software so that meals served meet the statutory regulations and codes of practice referring to accurate labelling, supply and delivery of foods. It is therefore important that the new supplier committed to providing pertinent information relating to nutritional value and allergens.
- 3.3 Current arrangements were previously procured by Scottish Borders Council who acted as the lead authority for all Lothian Authorities. However, following the proposed expiry of the existing contract, the Authorities decided to procure their own supply principally due to their different geographical requirements. This report

seeks approval of the procurement of Edinburgh contract supply for the next three to four years.

4. Main report

- 4.1 Market research was conducted by meeting with potential suppliers including both the incumbent and prospective new suppliers. During these meetings, ability to meet delivery targets, market trends, community benefits and sustainability were discussed as well as products required.
- 4.2 The Framework Agreement was advertised on the Official Journal of the European Union (OJEU) and the Public Contracts Scotland (PCS) portal, on 26 September 2018, for the time period set out in the Public Contracts (Scotland) Regulations 2015.
- 4.3 The procurement process followed an open tendering procedure to ensure maximum competition. Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD). Within the ESPD, suppliers were measured against a set of pass/fail criteria relating to essential characteristics and capabilities that they must adhere to in order to participate in the next stage of the tender process.
- 4.4 At the second stage of the process the bids were evaluated against the following award criteria and weightings: -
- | | |
|------------|-----|
| Quality | 40% |
| Commercial | 60% |
- 4.5 Within the quality section, suppliers were required to evidence their knowledge and experience by responding to method statements which covered areas including: servicing the contract, dealing with complaints, community benefits, sustainability and the management of non-core spend. Suppliers had to meet a minimum quality threshold of 50% and were also assessed in terms of any additional fixed pricing periods offered.
- 4.6 Following completion of the quality analysis, the suppliers' bids were subjected to cost analysis and had to submit pricing for a minimum of 80% of all items for their bid to be considered.
- 4.7 Within the commercial section, suppliers were invited to bid for a net delivered price for each of the core products used by the Council.
- 4.8 Suppliers were evaluated for cost and quality by separate panels from Procurement and the Service Areas and a summary of the Tendering and Tender Evaluation Processes is included in Appendix 1.
- 4.9 Two compliant bids were received with George Carruthers and Sons Limited providing the most economically advantageous tender.

- 4.10 A key objective for the Framework Agreement was to increase the flexibility of the Council's requirement for locally sourced products. The suppliers were asked to define the Country of Origin for each product for information purposes only. Whilst this information was not commercially evaluated, the Council will aim to purchase locally sourced products where possible.

5. Next Steps

- 5.1 Contract award documentation will be prepared and issued for Contract start date of 1 July 2019.
- 5.2 In line with The Procurement (Scotland) Regulations 2016, the Council will issue an award notice on Public Contracts Scotland with onward notice to OJEU.

6. Financial impact

- 6.1 George Carruthers and Sons Limited have agreed to fix their pricing for the full term of the contract. This will make contract management easier and provide financial stability for the Council.
- 6.2 It was agreed to have a ratio of 60/40 for price/quality to encourage competition but not at the expense of maintaining confidence in a high quality of service delivery.
- 6.3 It is anticipated that the Council's requirements for these goods is likely to increase over the next two to three years due to rising school rolls together with the Scottish Government's pledge (A Nation With Ambition) to increase the provision of free early learning and childcare to 1140 hours per year by 2020 which will include a lunch service. This will impact on the fruit and vegetable requirement as some nursery settings are opting for more vegetarian based dishes but will be funded through additional revenue by the Scottish Government.
- 6.5 A benchmarking exercise was conducted on the basket of goods contained within the pricing schedule comparing current prices paid against those of the recommended supplier. The result of this benchmarking demonstrates savings of 15.23% - £115,251 per annum based on current spend forecasts over the potential 48 months of the Contract.
- 6.6 The costs associated with procuring this Contract are estimated to be £10,001 - £20,000.

7. Stakeholder/Community Impact

- 7.1 The equalities team were engaged and have advised that no Integrated Impact Assessment (IIA) is needed as no impact on the Council's specific public sector equality duties have been identified. There will be negligible impact to the economy

as the new appointed supplier intends to source local fruit and vegetables wherever possible with the aim of maximising this provision. The Framework Agreement has a clear measurable scale for assessing the volumes of Scottish produce provided to our premises on an ongoing basis.

- 7.2 George Carruthers and Sons Limited are committed to factoring sustainable processes into their daily activities by reducing their energy, water and fuel consumption. Route planning is essential to reducing fuel miles and they use “Isaac” software to plan their delivery routes. The Council will work with them on this to increase efficiency wherever possible. They are also committed to minimal packaging for delivery and operate an uplift scheme, thereby ensuring that all packaging waste is fully reused or recycled.
- 7.3 The Edible Edinburgh Food Policies have been considered as part of the Council’s procurement strategy. It will be the way in which this contract is used, and control of that use by Council staff through considered product selection, which will help to promote health and well-being through:
- provision of locally sourced food where possible;
 - compliance with Food for Life Scotland;
 - compliance with Scottish Government nutritional standards; and
 - production of healthy & nutritionally balanced school meals.
- 7.4 The products offered are also sufficient to meet the complex and diverse dietary requirements of Health & Social Care client group and the recommendations in the National Guidelines on Eating Well for Older People.

8. Background reading/external references

[http://www.edinburgh.gov.uk/download/meetings/id/58035/item_715 -
_edible_edinburgh_-_a_sustainable_food_city_-_progress_report](http://www.edinburgh.gov.uk/download/meetings/id/58035/item_715_-_edible_edinburgh_-_a_sustainable_food_city_-_progress_report)

[http://www.edinburgh.gov.uk/download/meetings/id/55614/item_719 -
_school_meals_update](http://www.edinburgh.gov.uk/download/meetings/id/55614/item_719_-_school_meals_update)

<https://www.soilassociation.org/media/12814/ffs-003-report.pdf>

9. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	CT2472	
Contract Period	3 years with the option to extend by a 12 month period.	
Estimated Total Contract Value (including extensions)	£2,600,000	
Procurement Route Chosen	Open	
Tenders Returned	3	
Price / Quality Split	Quality 40	Price 60
	Criteria	Weighting (%)
Evaluation Criterion and Weightings	Delivery of the Contract	20%
	Operational Requirements	15%
	Meeting Key Performance Indicators and Targets	10%
	Complaints Procedure	5%
	The Environment	15%
	Supply Chain	15%
	Community Benefits	5%
	Business Continuity	10%
	Fair Work Practices	5%
	Zero Hours Contracts & the Living Wage	Information only
	Ability to Transact	Information only
Evaluation Team	Officers from Property & Facilities Management and Edinburgh Health & Social Care Partnership	

Finance and Resources Committee

10a.m., Thursday, 23 May 2019

Summary Report on Property Transactions concluded under Delegated Authority

Executive/routine	Routine
Wards	City wide
Council Commitments	2,10

1. Recommendations

1.1 That Committee:

- 1.1.1 Notes the 27 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Officers.'

Stephen S. Moir

Executive Director of Resources

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Report

Summary Report on Property Transactions concluded under Delegated Authority

2. Executive Summary

- 2.1 To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.
- 2.2 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 outwith these parameters are reported separately to Committee.

3. Background

- 3.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Executive 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.

4. Main report

- 4.1 Appendix 1 provides details of 27 transactions completed under delegated authority since the last quarterly report. Leased properties which have been vacant for more than 6 months are shown at a previous rent of nil.
- 4.2 The financial benefit to the Council of these transactions is summarised below:
 - 7 new leases producing an additional £47,740 per annum;
 - 9 lease renewal/extensions producing an additional £9,699 per annum;
 - 2 rent reviews producing an increase of £3,570 per annum;
 - 4 disposals producing capital receipts totalling £3,893,550; and

- A one off payment of £570 has been received from the two servitudes and a nominal £1 in each case from the 3 licence agreements.

5. Next Steps

- 5.1 The report sets out transactions which have been completed, under delegated authority, since the Finance & Resources Committee on 1 February. There are no further steps in relation to these transactions.

6. Financial impact

- 6.1 The financial impact of the transactions noted are set out above.

7. Stakeholder/Community Impact

- 7.1 Not applicable.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1 – Schedule of Property Transactions

APPENDIX 1

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. 01/T278T/23 SI	Ward 1 – Almond	General Property	Unit 23, The Loan, Viewforthbank Industrial Estate, South Queensferry, EH30 9SD	Hugo Greaves	Warehouse	Old Rent: £0 per annum New Rent: £9,000 per annum Lease Period: 01/04/2019 to 31/03/2024 Payable: Monthly in advance
REMARKS: New open market letting following a closing date. Vacant for more than 6 months.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. PEN01/U06 AM	Ward 5 – Sighthill and Gorgie	General Property	Unit 4 Pentad, 17F South Gyle Crescent EH12 9EB	Little Lunches Ltd	Soft Play Cafe	Old Rent: £0 per annum New Rent: £17,000 per annum Lease Period: 04/01/2019 to 03/01/2023 Payable: Quarterly in advance
REMARKS: New open market letting following a closing date. Vacant for more than 6 months.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. 8043B SI	Ward 7 – Sighthill and Gorgie	General Property	48 Dalry Road, Edinburgh EH11 2BA	Otilia and Sons Ltd	Retail Bakery	Old Rent: £8,500 per annum New Rent: £11,500 per annum Lease Period: 05/04/19 to 04/04/2024 Payable: Monthly in advance

REMARKS: New open market letting following a closing date.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. 16317/3 FM	Ward 9 – Fountainbridge / Craiglockhart	General Property	7 Hutchison Place, Edinburgh EH14 1QU	Diana-Marcela Bernal	Office	Old Rent: £0 per annum New Rent: £4,740 per annum Lease Period: 08/03/2019 to 07/03/2024 Payable: Monthly

REMARKS: New open market letting following a closing date. Vacant for more than 6 months.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. SM	Ward 11 – City Centre	General Property	103-105 Morrison Street, Edinburgh EH3 8BX	Adam Dymidowski Yavor Dimitrov	Dental Laboratory	Old Rent: £12,500 per annum New Rent: £13,500 per annum Lease Period: 01/04/2019 to 31/03/2024 Payable: Monthly in advance

REMARKS: New open market letting following a closing date.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. Madelvic/5 AM	Ward 4 – Forth	General Property	Upper floor (Part) Madelvic House EH5 1HS	Forth Children’s Theatre	Office / Rehearsal Space	Old Rent: £0 per annum New Rent: £3,000 per annum Lease Period: 03/01/2019 to 02/01/2020 Payable: Quarterly in advance
REMARKS: New open market letting. Vacant for more than 6 months.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. Waterfront/5 AM	Ward 4 – Forth	General Property	Car Park (Part) at 28 West Harbour Road EH5 1PN	Midlothian Motor Company	Car Sales	Old Rent: £0 per annum New Rent: £10,000 per annum Lease Period: 04/01/2019 to 03/01/2020 Payable: Quarterly in advance
REMARKS: New open market letting following a closing date. Vacant for more than 6 months.						

DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
8. FM	Ward 7 – Sighthill and Gorgie	General Property	Springwell House & Grounds, gorgie Road EH11 2LA	AMA Homes	Residential development	Net Purchase price: £1,237,700 Date of sale: 08/03/2019

REMARKS: Transaction includes disposal of breast screening clinic to NHS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
9. GM	Ward 8 – Colinton/ Fairmilehead	General Property	Former Hunter's Tryst Primary School, 4 Oxgangs Green EH14 9JE	Hopefield Partnership	Residential development	Net Purchase price: £1,806,000 Date of sale: 08/03/2019

REMARKS: Disposal following open marketing.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
10. FM	Ward 8 – Colinton/ Fairmilehead	Health and Social Care	Former Firrhill Day Centre Stables, 257 Colinton Road, Edinburgh EH14 1DW	TGR Development Ltd, 3 Torphichen Street, Edinburgh EH3 8HX	Dwellinghouse	Purchase price: £165,550.50 Date of sale: 08/03/2019

REMARKS: Disposal following a closing date.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. FM	Ward 14 – Craigentinny/ Duddingston	Health and Social Care	Lochend House (aka Lochend Castle, or Restalrig Castle), 33- 35 Lochend Road South, Edinburgh EH7 6BR	Khwaja Akbar Mir and Mrs Sabira Akbar Mir	Residential	Purchase price: £684,300 Date of sale: 13/03/2019

REMARKS: Disposal following a closing date.

LEASE RENEWALS/EXTENTIONS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
12. 18778 GM	Ward 4 - Forth	Health and Social Care	19 Dudley Gardens EH6 4PU	The Action Group	Supported Accommodation	Old Rent: £15,600 per annum Rent: £19,200 per annum Lease Period 01/04/2019 to 31/03/2024 Payable: In arrears (quarterly)
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. SM	Ward 7 – Sighthill/ Gorgie	Culture and Sport	Redhall Pavilion, Inglis Green Road EH14 2HG	Chris McArthur, Per Redhall Star Youth FC	Pavilion	Old Rent: £1 New Rent: £500 per annum Lease Period: 01/04/2019 to 31/03/2024 Payable: Annually
REMARKS: Lease renewal						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. 16496/10 IL	Ward 7 – Sighthill / Gorgie	General Property	Unit 10 Sauchiebank, Russell Road Industrial Estate, Edinburgh, EH11 2NN	James Erskine Limited	Business Use Class 4	Old Rent: £6,500 per annum New Rent: £6,800 per annum From: 01/02/2019 to 31/01/2024 Payable: Monthly in Advance
REMARKS: GIA = 66.42 sq m (715 sq ft)						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
15. 16496/20 IL	Ward 7 – Sighthill / Gorgie	General Property	Unit 20 Sauchiebank, Russell Road Industrial Estate, Edinburgh, EH11 2NN	Jasmine Holdings (Edinburgh) Limited	Business Use Class 4	Old Rent: £15,000 per annum New Rent: £15,500 per annum From: 07/03/2019 to 06/03/2024 Payable: Quarterly in Advance
REMARKS: GIA = 206.24 sq m (2,220 sq ft)						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16. 17426/3 IL	Ward 13 – Leith	General Property	Unit 3, Bonnington Business Centre, Jane Street, Edinburgh, EH6 5HG	Warehouse Express Limited	Business Use Class 4	Old Rent: £17,300 per annum New Rent: £18,300 per annum From: 27/01/2019 to 26 /01/2024 Payable: Quarterly in Advance
REMARKS: GIA = 243.02 sq m (2,616 sq ft)						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17. 723/8A IL	Ward 13 – Leith	General Property	Unit 28, Tennant Street, Edinburgh, EH6 5NA	David Neilson & Simon Hay t/a Ranch Studios Scotland	Workshop Class 4	Old Rent: £12,000 per annum New Rent: £12,400 per annum From: 05/01/2019 to 04/01/2024 Payable: Quarterly in Advance
REMARKS: GIA = 179.48 sq m (1,932 sq ft)						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
18. 18778 GM	Ward 13 – Leith	Health and Social Care	60 East Restalrig Terrace EH6 8EE	The Action Group	Supported Accommodation	Old Rent: £12,600 per annum Rent: £15,000 per annum Lease Period: 01/04/2019 to 31/03/2024 Payable: In arrears (quarterly)
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
19. PP-01-U07 IL	Ward 15 – Portobello / Craigmillar	General Property	Unit 7&8 Peffermill Parc EH16 5UY	Football Nation Ltd	Warehouse	Old Rent: £16,353 per annum New Rent: £16,353 per annum Lease Period: 01/04/19 to 31/03/2024 Payable: Monthly in advance
REMARKS: GIA = 278.70 sq m (3,000 sq ft)						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20. 17896/4&6 IL	16 – Liberton / Gilmerton	General Property	Block B, Units 1 – 2, Gracemount Pavilions, Captain's Road, Edinburgh, EH17 8QF	Omega Lift Services Limited	Workshop Class 4	Old Rent: £14,000 per annum New Rent: £15,000 per annum From: 18/12//2018 to 17/12/2023 Payable: Quarterly in Advance
REMARKS: GIA = 151.42 sq m (1,630 sq ft)						

SERVITUDES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
21. 20003/1 GM	01 - Almond	City Development	Gas pipe at Lauriston Farm Road. EH4 5EX	SGN	Gas Servitude	Rent: £500 (in grassum) Lease Period: N/A Payable: In arrears

REMARKS: £500 Surveyors Fee

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
22. 21523 GM	15 – Southside/ Newington	Parks	Gas pipe at 2 Buccleuch Street/ 33 Chapel Street. EH8 9AY	SGN	Gas Servitude	Rent: £70 (in grassum) Lease Period: N/A Payable: In arrears

REMARKS: £500 Surveyors Fee

LICENSE AGREEMENTS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
23. 3367 GM	02 – Pentland Hills	Housing	Dumbryden Gardens EH14 2NY	Robertson's	Site compound for Housing development	Rent: £1 (if asked) Lease Period: 01/04/19 to 31/12/19 Payable: In arrears

REMARKS: £250 Surveyors Fee

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
24. 21554 GM	08 – Colinton/ Fairmilehead	Housing	Grassed amenity ground adj. to 54 Oxgangs Avenue EH13 9HY	Maxi Construction Ltd.	Site compound for construction of new YPC	Rent: £1 (if asked) Lease Period: 01/11/18 to 02/09/19 Payable: In arrears

REMARKS: £250 Surveyors Fee

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
25. 19001/16/1 GM	17 – Portobello/ Craigmillar	Housing	Niddrie Mains Terrace EH16 4PA	CCG Scotland Ltd.	Construction of SUDs outfall pipe	Rent: £1 (if asked) Lease Period: 17/12/18 to 06/12/19 Payable: In arrears

REMARKS: £250 Surveyors Fee

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
26. 6737 IL	11 – City Centre	General Property	56a Candlemaker Row, Edinburgh, EH1 2QE	Mrs Elizabeth Thompson	Shop Class 1	Old Rent: £7,800 per annum New Rent: £8,950 per annum From: 01/12/2018 to 30/11/2023. Payable: Monthly in advance.

REMARKS: NIA = 36.16 sq m (389 sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
27. 8161 IL	17 – Portobello / Craigmillar	General Property	10 Westbank Street, Edinburgh, EH15 1DR	Powerleague Fives Limited	Five-a-side Football Facility Class 11	Old Rent: £19,300 per annum New Rent: £21,820 per annum From: 23/01/19 to 22/01/2024. Payable: Half yearly in advance.

REMARKS: Area = 1.30 Hectares (3.215 Acres)

Finance and Resources Committee

10.00am, Thursday 23 May 2019

Planning and Building Standards Improvement Team – Extension to Contracts

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves short-term contract extensions, via waiver, for the Building Standards Improvement Team to provide the necessary support to the next stage of the Building Standards Improvement Plan. This will help to further the considerable improvement in service performance to date. In parallel, this will enable necessary shared expertise, knowledge transfer and support to the Planning Improvement Plan, in accordance with the Planning Committee's decision of 12 December 18 to obtain external advice in this regard. These extensions will enable the final stage of the building service improvement process to be undertaken and the work of the improvement team will come to an end.

Paul Lawrence

Executive Director of Place

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Planning and Building Standards Improvement Team – Extension to Contracts

2. Executive Summary

- 2.1 The Scottish Government has appointed the Council as Verifier of Building Standards within this council's geographic area, for a period of two years from 1 May 2019 to 30 April 2021. This appointment is conditional on the Council continuing to deliver improvements in its Building Standards service.
- 2.2 During its previous period of appointment, which was for 1 May 2018 to 30 April 2019, the Council was required to appoint an Improvement Team to provide advice, guidance and assistance to improve the performance of the Building Standards Service. The team's appointment in this regard was reported at Finance and Resources Committee on [4 December 2018](#).
- 2.3 The input of this team has supported significant improvements in performance and in the delivery of the Building Standards Improvement Plan. In order that the Council can meet the requirements of its current conditions of appointment as verifier, these improvements require to be sustained. To ensure this, it is recommended that the Improvement Team's appointment is extended to assist in taking forward the final stage of Building Standards improvement. This final stage will ensure the improvement work carried out thus far is further embedded and support the advancement of new ways of working that are currently in the initial stages of development. This work is expected to be complete by 31 March 2020 at the latest when the work of the improvement team would conclude.
- 2.4 It is noted that if the appointments are not continued, there is risk that improvements already undertaken will not be fully sustained as the support and monitoring that the improvement team has provided has proven invaluable in supporting sustained change. Furthermore, given the insight that the team has offered, if the appointments are not continued, the development of new ways of working would be slower to progress to implementation.
- 2.5 In parallel with this work, the Planning Service has put in place an Improvement Plan. This sets out the major changes that are required within that service over a three year period from December 18. To date, lessons learned from the improvements to the Building Standards service are being used to inform Planning improvements.

- 2.6 At Planning Committee on [12 December 2018](#), it was agreed that external advice would be appointed to review the Planning Improvement Plan and to consider whether the data being collected, and actions proposed, were sufficient to drive the required improvement.
- 2.7 The work already undertaken by the Improvement Team on Building Standards has enabled insight into the wider Planning and Building Standards Service. This in-built knowledge will allow the team to provide advice on planning improvements. It is therefore recommended that the Improvement Team's appointment is extended to include for advice on the Planning Improvement Plan.
- 2.8 The maximum total estimated value of the contracts extension is £75,000. This extension will enable the final stage of the process to be undertaken and the work of the improvement team will come to an end.

3. Background

- 3.1 The Scottish Government appointed the Council as Verifier of Building Standards within this Council's geographic area for a period of two years from 1 May 2019 to 30 April 2021. A condition of this appointment (as Verifier) is the Service sustaining and improving performance as well as continued adherence to the actions set out in the previously agreed improvement plan. The Minister for Local Government, Housing and Planning has stated his intention to review this appointment and officials from the Scottish Government have indicated that this review will happen at the end of 2019.
- 3.2 The Planning Service is implementing its Improvement Plan 2018-2021. This is designed to bring about significant change in the performance of the service. The plan takes a similar approach as the Building Standards Improvement Plan which the Improvement Team have advised on. It covers the same improvement themes of Leadership and Management, Continuous Improvement and Performance, and Customer.
- 3.3 The Planning Committee made a decision at its meeting 12 December 2018 that external advice shall be appointed to review the Planning Improvement Plan and to consider whether the data being collected, and actions proposed, were sufficient to drive the required improvement.
- 3.4 In agreement with the Scottish Government, on 1 May 2018, the Council appointed an Improvement Team of three external advisers. The appointment was reported at Finance and Resources Committee on 4 December 2018 for a period up to 30 April 2019.

4. Main report

- 4.1 The Improvement Team is made up of three individuals:

- 4.1.1 Russell Cartwright managed the Building Standards Service in Falkirk Council before going on to become director of its environment department. This department included its Planning Service.
 - 4.1.2 Len Murray managed the Building Standards service in Angus Council. During his tenure, Angus Council became the leading building standards service in Scotland in Customer Service Excellence.
 - 4.1.3 Steve Quinn is an expert in change management and has worked with organisations across the UK, helping to ensure they deliver their change programmes.
- 4.2 The total approved cost for the team since its initial appointment in May 2018 is £280,000.
- 4.3 It is proposed to extend the contracts of the three members of the improvement team to 31 March 2020. The total cost of this extension would be a maximum of £75,000.
- 4.4 The fees will be contained within Place Directorate existing revenue budget for Financial Year 2019/20.
- 4.5 It is noted that since the Improvement Team has been engaged, there has been a marked improvement in both the performance of the service and the rate at which improvements have been delivered. This is a result of the development of, and support on implementation of, the Building Standards Improvement Plan 2018-2021.
- 4.6 In relation to Building Standards performance, between 1 July 2018 and 31 March 2019, the backlog of applications awaiting a first report was reduced from 320 to zero. In Quarter 4 2018/19, the 98% of first reports were delivered within 20 working days. This exceeds the Scottish Government's target of 95%. Between 1 November 18 and 31 March 19, the backlog of applications awaiting decisions for more than 10 working days was reduced from 350 to 10. There has been a rise in performance in relation to this target with 73% of applications in Quarter 4 being granted building warrants within 10 working days of satisfactory information being provided.
- 4.7 Supporting this enhanced performance have been a wide range of improvement measures. This includes, new methods of monitoring performance and ensuring resources are adequately deployed and the training and development of the management team. In addition, innovative approaches to recruitment have helped bring in new members of staff, including three apprentice building standards surveyors. Customer improvements have been undertaken, including the establishment of a Stakeholder Panel which advises and holds the service to account on its improvements.
- 4.8 The Planning Service has similarly made progress in its improvements. An increase in planning fees has been invested in the creation of seven additional posts to support the service. New ways of working have been developed with more agile

use of resources across the service being deployed to deal with workload pressures. New data collection reports have been developed and are being used by the management team to monitor performance. Changes to the scheme of delegation for making decisions on planning applications and procedures for the preparation of legal agreements have been implemented. Further details are set out in the Planning Improvement Plan – Progress Update report to Planning Committee of 15 May 2019.

5. Next Steps

- 5.1 Once the Improvement Team’s appointment is extended, they will continue their work on supporting and sustaining the improvements being made in the Planning and Building Standards service. This will ensure the positive changes already made in relation to performance, leadership and management, continuous improvement and customer can be fully embedded. It will also ensure the new ways of working to be more rapidly developed and implemented.

6. Financial impact

- 6.1 The estimated expenditure with the suppliers for the extension period totals £75,000. This will be contained within Place existing revenue budget for financial year 2019/20.
- 6.2 The total approved cost for the team since its initial appointment in May 2018 is £280,000.

7. Stakeholder/Community Impact

- 7.1 There are no sustainability or equalities impacts arising from these appointments.

8. Background reading/external references

- 8.1 Report to Finance and Resources Committee – 4 December 2018 – Building Standards Improvement Team – Extension to Contracts
- 8.2 Minute of Planning Committee of 12 December 2018 (item 5)
- 8.3 [Planning Improvement Plan – Progress Update](#) – Planning Committee, 15 May 2019

9. Appendices

- 9.1 None.

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Framework Agreement for the Hire of Plant with Operator

Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 That the Finance and Resources Committee:

- 1.1.1 Approves the award of a framework agreement for the Hire of Plant with Operator to 12 suppliers over seven Lots; Wm Hamilton & Sons Limited, Dr Plant Hire [Ratho] Ltd, Galt Transport, John McGeady Ltd, Willsweep Limited, Jarvie Plant Group Ltd, Markon Limited, Hillhouse Quarry Group Ltd, RD Anderson Haulage Limited, A Williamson Haulage Ltd, E & J Douglas & Sons Ltd, NWH Group; and
- 1.1.2 Approves the commencement of the framework on 1 July 2019 for a period of two years, until 30 June 2021, with the option to extend for up to a further two years, at 12-month intervals, until 30 June 2023

Paul Lawrence

Executive Director of Place

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Framework Agreement for the Hire of Plant with Operator

2. Executive Summary

- 2.1 This report seeks the approval of the Finance and Resources Committee to award a framework agreement for the Hire of Plant with Operator. It is recommended that 12 suppliers are awarded onto the framework agreement over seven Lots.
- 2.2 The duration of the framework agreement will be two years, with an option to extend for two additional 12-month periods.
- 2.3 Over the four-year period the total framework value, including extensions, is estimated at approximately £1,107,746. It should be noted that this value may fluctuate depending on demand for plant hire and which suppliers the services are obtained from.

3. Background

- 3.1 The Councils, Edinburgh Road Services (ERS) carry out various works throughout the City of Edinburgh, the service has been reshaped in recent years and requirements have changed.
- 3.2 The current contract arrangements have been reviewed and the framework has encompassed the service redesign and identified there is still requirement for plant hire with operators to enable the Council to meet its statutory duties and complete ongoing works.

4. Main report

- 4.1 The framework agreement encompasses the provision of Plant vehicles with operators utilised to assist ERS with completing their statutory duties where additional vehicles and operators are required. The framework also includes for on-call gritters in cases of extreme weather.
- 4.2 The framework contains 7 lots:

- Lot 1 - Road Planers
- Lot 2 - Road Sweepers
- Lot 3 - Road Lorries
- Lot 4 - Gritter Vehicles
- Lot 5 - Hi-Ab Cranes
- Lot 6 - Lowloaders
- Lot 7 - Road Finishers

- 4.3 The Lotting structure was agreed to align with the service redesign with regard to ongoing and future works and ensuring continuity of supply, therefore Lot 1 and Lot 3 are awarded to 3 suppliers, and is awarded per item. Lot 2, Lot 5, Lot 6 and Lot 7 are awarded to 5 suppliers and Lot 4 a single supplier due to the nature of on-call payments.
- 4.4 Each Lot contains comprehensive information on how suppliers will deal with breakdowns, repairs and replacements along with robust KPIs to reduce impacts upon ongoing Council operations.
- 4.5 Commercial and Procurement Services (CPS), in conjunction with ERS undertook a full OJEU tender exercise. On 17 January 2019, the Council published a Contract Notice under an Open Procedure, as set out in the Public Contracts (Scotland) Regulations 2015, with a deadline of 19 February 2019.
- 4.6 The procurement procedure allowed the Council to identify suitable tenders in terms of compliance with the procurement regulations and the service specific criteria. To identify suppliers offering Best Value the tender evaluation included an emphasis on quality as well as price, and submissions were assessed on the most economically advantageous tender. The cost: quality ratio was set to reflect the need for a quality service at the most economical price. All lots were weighted 40% quality and 60% price. An overall minimum quality threshold of 30% (12 out of 40) was applied. The scores and ranking of recommended suppliers are detailed at appendix two.
- 4.7 A total of 30 suppliers registered interest in the Contract Notice, with tenders received from 15 suppliers.
- 4.8 Lot 1 received 7 submissions, Lot 2 received 7, Lot 3 received 6, Lot 4 received 3, Lot 5 received 4, Lot 6 received 8 and Lot 7 received 4 submissions. One supplier tendering for Lot 1, Lot 2, Lot 3, Lot 6 and Lot 7 went in to liquidation, whilst a further supplier on Lot 3 was deemed as non-compliant, another supplier failed the quality on Lot 1, Lot 2, Lot 3 and Lot 4. Therefore, based upon the quality: cost applied, 12 suppliers are recommended for award onto the framework.
- 4.9 The Framework shall be managed by the Council's ERS. They will track benefits and monitor the Key Performance Indicators for the duration of the framework.
- 4.10 It is anticipated that the framework shall commence on 1 July 2019 for a period of two years, with the option to extend for two additional 12-month periods.

5. Next Steps

- 5.1 Subject to approval, the services will commence on 1 July 2019, and shall allow the Council to meet its obligations in regard to the provision of road services throughout the City of Edinburgh. The framework will be utilised to obtain operated plant for requirements throughout Edinburgh.

6. Financial impact

- 6.1 The framework value is estimated at £1,107,746 over the four-year period. This figure is based upon forecast requirements of each Lot and may fluctuate over the term of the framework based upon ERS ongoing requirements.
- 6.2 A benchmarking exercise has been carried out comparing pricing to the previous Council framework agreement and other national frameworks as well as taking in to account changes to requirements, producing an estimated annual saving of £25,000 per annum (£100,000 over 4 years).
- 6.3 Implementation of the framework allows the required capacity of plant with operators to be met with the potential for additional capacity if required. Consequently, there should no longer be a requirement to spot hire additional non-contracted plant.
- 6.4 In order to identify suppliers offering Best Value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender. The cost: quality ratio was set to reflect the need for a quality service at the most economical price. As specifications and contract requirements covered most aspects, therefore reducing risk of receiving poor quality plant and operators there was justification to place more of an emphasis on cost over quality. All lots were weighted 40% quality and 60% cost. An overall minimum quality ratio of 30% was utilised.
- 6.5 Prices are fixed for a period of two years, with price increases after this period being subject to review and approval by the Council with justification provided by suppliers.
- 6.6 The costs associated with procuring this framework agreement are estimated to be up to £10,000.

7. Stakeholder/Community Impact

- 7.1 Tenderers were asked to commit and sign up to the Community Benefits Point System for providing community benefits throughout the duration of the framework based upon any spend awarded to the supplier. This will be reported through ongoing contract management returns.

- 7.2 All suppliers have robust Health and Safety and Sustainability policies and will adhere to the Council on-site management system when working on behalf of the Council.
- 7.3 The framework recommended for award 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.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Appendix 2 – Suppliers Recommended for Award and Ranking

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 1	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£500,380	
Procurement Route Chosen	Open Procedure	
Tenders Returned	7	
Names of Recommended Supplier(s) in order of Rank. Lot 1 was awarded per Plant Item.	1.0 Metre Road Planer	0.35 Meter Road Planer + Brush
	John McGeady Ltd Willsweep Limited Markon Limited	Willsweep Limited Markon Limited John McGeady Ltd
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 2	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£46,830	
Procurement Route Chosen	Open Procedure	
Tenders Returned	7	
Names of Recommended Supplier(s) in order of Rank	Willsweep Limited NWH Group John McGeady Ltd WM Hamilton & Sons Limited E & J Douglas & Sons Ltd	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender. Delivery Team Structure & Roles & Responsibilities - 10% Resources - 15% Quality Assurance - 10% Complaints and Customer Service - 15% Operator Training - 10% Meeting Key Performance Indicators & Targets - 10% Health & Safety - 10% Risk Register - 10% Environment and Sustainability - 5% Fair Work Practice - 5%	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 3		
Contract Period	Two years with option to extend by two additional 12-month periods		
Estimated Contract Value (including extensions)	£287,980		
Procurement Route Chosen	Open Procedure		
Tenders Returned	6		
Names of Recommended Supplier(s) in order of Rank. Lot 3 was awarded per Plant Item.	8 x 4 Tipper - Standard	8 x 4 Tipper - Insulated	8 x 4 Tipper - Clamshell Bucket
	Willsweep Limited NWH Group Limited E & J Douglas & Sons Ltd	Willsweep Limited E & J Douglas & Sons Ltd	NWH Group
Cost / Quality Split	60% Cost		40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>		
Evaluation Team	Three Council Officers from Edinburgh Road Services		

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 4	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£73,296	
Procurement Route Chosen	Open Procedure	
Tenders Returned	3	
Names of Recommended Supplier(s) in order of Rank	Willsweep Limited	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 5	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£35,900	
Procurement Route Chosen	Open Procedure	
Tenders Returned	4	
Names of Recommended Supplier(s) in order of Rank	A Williamson Haulage Limited Jarvie Plant Limited RD Anderson Haulage Limited Galt Transport Limited	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 6	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£73,440	
Procurement Route Chosen	Open Procedure	
Tenders Returned	8	
Names of Recommended Supplier(s) in order of Rank	Willsweep Limited A Williamson Haulage Limited Jarvie Plant Limited NWH Group E & J Douglas & Sons Ltd	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender. Delivery Team Structure & Roles & Responsibilities - 10% Resources - 15% Quality Assurance - 10% Complaints and Customer Service - 15% Operator Training - 10% Meeting Key Performance Indicators & Targets - 10% Health & Safety - 10% Risk Register - 10% Environment and Sustainability - 5% Fair Work Practice - 5%	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 7	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£89,920	
Procurement Route Chosen	Open Procedure	
Tenders Returned	4	
Names of Recommended Supplier(s) in order of Rank	John Mcgeady Limited DR Plant Hire Limited Hillhouse Quarry Group Limited	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Appendix 2 – Suppliers Recommended for Award and Ranking

Lot 1 – Road Planers – Item: 1.0 Meter Road Planer

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
John McGeady Ltd	40.00	55.06	95.06	1
Willsweep Limited	30.50	60.00	90.50	2
Markon Limited	39.50	47.63	87.13	3

Lot 1 – Road Planers – Item: 0.35 Meter Road Planer + Brush

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	30.50	60.00	90.50	1
Markon Limited	39.50	45.89	85.39	2
John McGeady Ltd	40.00	42.62	82.62	3

Lot 2 – Road Sweepers

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60	92.00	1
NWH Group Limited	35.50	34.50	70.00	2
John McGeady Ltd	37.00	24.98	61.98	3
WM Hamilton & Sons Limited	34.00	22.48	56.48	4
E & J Douglas & Sons Ltd	25.50	23.66	49.16	5

Lot 3 – Road Lorries – Item: 8x4 Tipper Standard

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60.00	92.00	1
NWH Group Limited	29.50	46.70	76.20	2
E & J Douglas & Sons Ltd	24.00	34.72	58.72	3

Lot 3 – Road Lorries – Item: 8x4 Tipper Insulated

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60.00	92.00	1
E & J Douglas & Sons Ltd	25.50	34.41	59.91	2

Lot 3 – Road Lorries – Item: 8x4 Tipper with Clamshell Bucket

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
NWH Group Limited	31.00	60.00	91.00	1

Lot 4 – Gritter Vehicles

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60.00	92.00	1

Lot 5 – Hi-Ab Cranes

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
A Williamson Haulage Limited	35.00	58.64	93.64	1
Jarvie Plant Limited	39.00	48.75	87.75	2
RD Anderson Haulage Limited	23.50	60.00	83.50	3
Galt Transport Limited	37.50	31.30	68.80	4

Lot 6 – Lowloaders

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	30.50	60.00	90.50	1
A Williamson Haulage Limited	35.00	54.86	89.86	2
Jarvie Plant Limited	38.50	45.84	84.34	3
NWH Group	35.50	43.97	79.47	4
E & J Douglas & Sons Ltd	25.50	50.47	75.97	5

Lot 7 – Road Finishers

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
John McGeady Ltd	40.00	55.60	95.60	1
DR Plant Hire Limited	23.50	60.00	83.50	2
Hillhouse Quarry Group Limited	37.50	45.43	82.93	3

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Land at Newcraighall – Proposed Lease and Lease Extension

Executive/routine	Routine
Wards	17 – Portobello/Craigmillar
Council Commitments	<u>2</u>

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 175-year ground lease of 1.89 hectares (4.89 acres) at Newcraighall to South Yorkshire Pensions Authority on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Land at Newcraighall – Proposed Lease and Lease Extension

2. Executive Summary

- 2.1 The Council owns 1.90 hectares (4.69 acres) of development land at Newcraighall and also the adjoining Eastern Industrial Estate, which is subject to a ground lease to South Yorkshire Pensions Authority.
- 2.2 South Yorkshire Pensions Authority has made an approach to the Council to acquire a 175 year ground lease of the vacant land to undertake the development of industrial accommodation, effectively expanding the existing Eastern Industrial Estate.
- 2.3 This report seeks approval to enter into a ground lease of the vacant development land at Newcraighall on the terms and conditions outlined in this report.

3. Background

- 3.1 South Yorkshire Pension Fund (SYPA) hold a ground lease from the Council on the development known as Eastern Industrial Estate, as shown shaded blue on the attached plan.
- 3.2 The ground lease runs until 5 November 2104 and the Council receive an annual rental based on 5% of the market rent of the units on the estate.
- 3.3 The remaining land within Council ownership extends to 1.90 hectares (4.69 acres), as shown outlined in red on the attached plan, and is zoned for industrial use. The ownership is a result of a legacy transaction that was put in place during the development of Fort Kinnard and adjacent B&Q.

4. Main report

- 4.1 SYPA has approached the Council to agree terms for a ground lease over the remaining development land with the intention to expand the industrial offering at this location.

- 4.2 The Council has considered other options, principally, to undertake the development of the industrial units itself as it has done elsewhere in the city. In that case, at East Hermiston, the successful development was small units aimed at start-up companies and SME's.
- 4.3 The units which will be developed at Newcraighall will be significantly larger and will attract a different market. Consequently, the development will have a greater risk profile with likely voids and therefore exposure to holding costs should there be any vacancies. By allowing SYPA to develop and let the units, the risk is passed on with the Council benefiting from an income albeit reduced to reflect the ratio of risk/reward.
- 4.4 Provisional terms have been agreed with SYPA as follows:
- Subjects: Development land extending to 1.9 hectares (4.89 acres) at Newcraighall;
 - Tenant: South Yorkshire Pensions Authority;
 - Lease Term: 175 years;
 - Rent: Initial rent to be £1 per annum until such time as the property is developed. When completed the Council will receive 15% of all rents received by SYPA;
 - Development: SYPA will undertake a master planning exercise and seek full planning permission for an industrial development;
 - Conditions: Outline planning consent for the proposed development, satisfactory site surveys and SYPA board approval;
 - Legal Costs: Each party to bear their own legal costs.

5. Next Steps

- 5.1 SYPA will take forward a master planning exercise and a detailed application thereafter.
- 5.2 Missives will be completed for the new lease agreement which will take effect from the date when planning permission is obtained.

6. Financial impact

- 6.1 Rental income, based on 15%, of the market rent of the units to be developed, will be received.
- 6.2 It is anticipated that the Council will begin to receive an income in financial year 2020/21 and is expected to be up to £75,000 pa.

7. Stakeholder/Community Impact

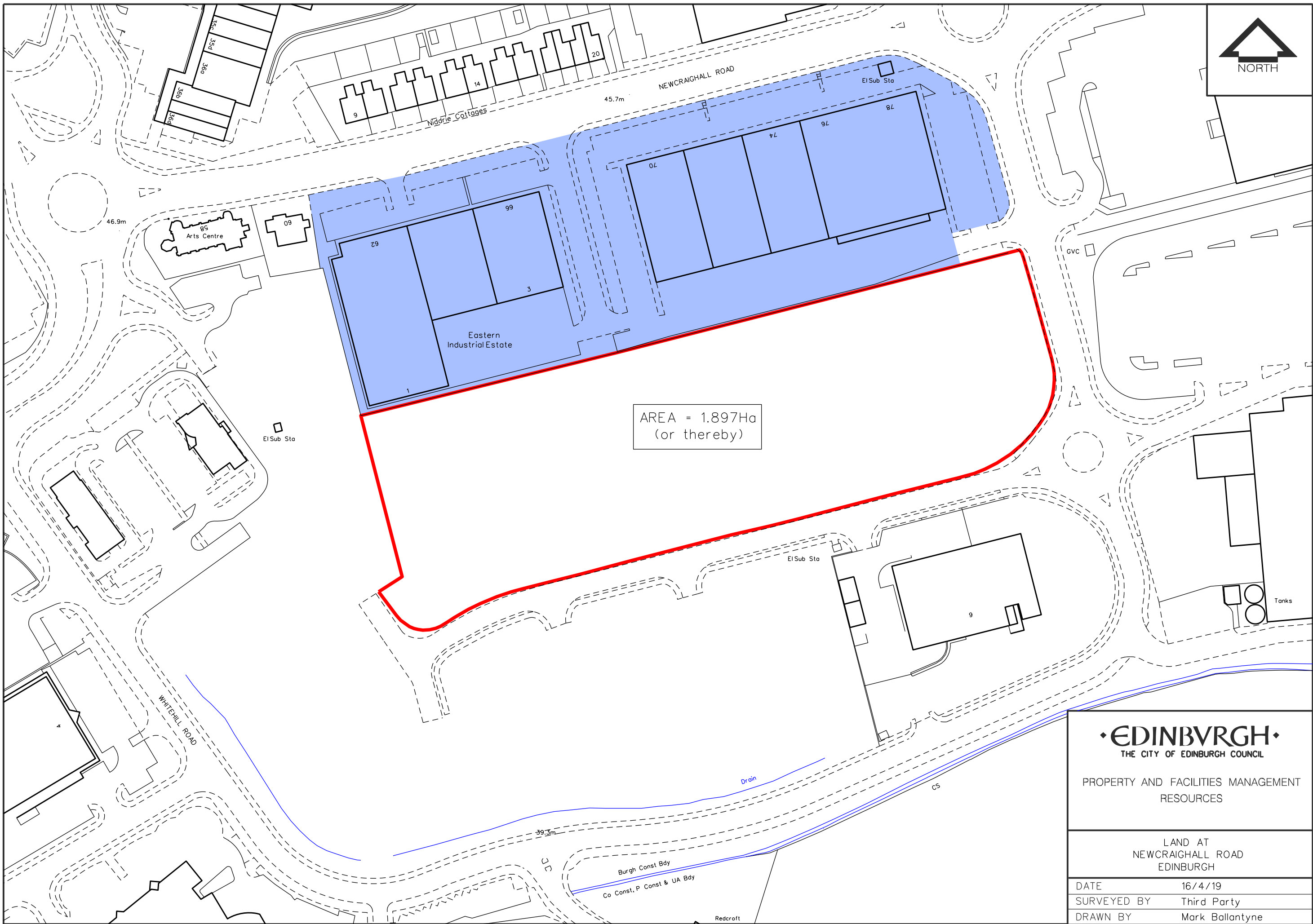
- 7.1 Ward elected members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

- 9.1 Appendix 1 – Location Plan



AREA = 1.897Ha
(or thereby)

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
LAND AT NEWCRAIGHALL ROAD EDINBURGH	
DATE	16/4/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1818

SITE PLAN

SCALE 1:1250

Finance and Resources Committee

10.00a.m., Thursday, 23 May 2019

Broughton FP Rugby Club, Granton Road – Proposed Lease Extension

Executive/routine	Routine
Wards	4 - Forth
Council Commitments	39

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 20-year lease extension of land at 109 Granton Road to Broughton FP Rugby Club on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Broughton FP Rugby Club, Granton Road – Proposed Lease Extension

2. Executive Summary

- 2.1 Broughton FP Rugby Club (The Club) occupy an area of ground alongside Wardie Playing fields on Granton Road. The lease was put in place in 1975 and is currently continuing by tacit relocation (silent renewal). The Club has constructed a changing facility and club room on the land.
- 2.2 The Club has requested a new 20 year ground lease for significant investment into upgrading the clubhouse premises. In addition, an extension to the area of land leased has been requested which will allow the construction of dedicated female changing facilities
- 2.3 The report seeks approval to the grant of a 20 year lease extension to Broughton FP Rugby Club on the terms and conditions outlined in the report.

3. Background

- 3.1 Broughton FP Rugby Club (the Club) currently occupy a site on Granton Road, adjoining Wardie Playing Fields, which is used for matches, extending to approximately 476 sq m as shown outlined in red on the attached plan.
- 3.2 The Club has leased the land since 1975 and the lease at present continues by way of tacit relocation (silent renewal). The current rent is £1,025 per annum.
- 3.3 The Club has requested that the lease is extended for a period of 20 years to allow it to seek sources of funding to improve the facilities for its members and users. In addition the Club has requested that the leased area be extended by 76 sq m as shown shaded in blue on the attached plan. The Club intends to construct a dedicated female changing facility in an extension to the existing building, subject to required statutory consents.

4. Main report

- 4.1 The following terms have been provisionally agreed with the Club:

- Subjects: Land at Granton Road extending to 567 sq m;
- New Ground Lease: 20 years from 1 July 2019;
- Rent: £1,400 per annum;
- Rent Reviews: Rent to be reviewed at five yearly intervals based on RPI uplift, capped and collared at 1% and 3% compounded;
- Break Option The tenant will have a break option on the fifth anniversary, and 5 yearly thereafter, on giving 6 months' notice;
- Use: For use as ground on which a changing facility for a rugby club and associated ancillary uses has been constructed;
- Repairs: Full repairing and maintaining obligation;
- Other terms: As contained in a standard commercial lease.

5. Next Steps

- 5.1 The Council will seek to enter into the lease extension with Broughton FP Rugby Club in accordance with the terms and conditions outlined within this report.

6. Financial impact

- 6.1 Agreeing the new lease extension will result in an increase in rent to the General Property Account, to £1,400 per annum.
- 6.2 The proposed rent reflects the use of the ground as clubroom and changing facilities.

7. Stakeholder/Community Impact

- 7.1 Ward elected members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

9.1 Appendix 1 – Location Plan



Recreation Ground

AREA = 76.39sqm
(or thereby)

AREA = 491.16sqm
(or thereby)

BROUGHTON FP
RUGBY CLUB

Pavilion

Pavilion

Wardie Primary School

GRANTON ROAD

26.5m

133

129

140

132
134

107

105

105a

103c

SITE PLAN

SCALE 1:500

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THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

LAND AT
BROUGHTON FP RUGBY CLUB
GRANTON ROAD
EDINBURGH

DATE	9/4/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/2107

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

200 Bonnington Road, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	
Council Commitments	10

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the sale of the former offices at 200 Bonnington Road to Platform on the terms and conditions as outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources; and
- 1.1.2 Notes that the property has been leased, on a temporary basis, to the Tram to Newhaven Project Team.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

200 Bonnington Road, Edinburgh – Proposed Disposal

2. Executive Summary

- 2.1 As part of the rationalisation of the Council estate, the offices at 200 Bonnington Road has been vacated with the service teams relocated principally to the North East Locality Office.
- 2.2 The property will be temporarily occupied, during the early contractor involvement phase, by the Tram to Newhaven project team.
- 2.3 Property developer Platform has secured a legal position for residential development on two adjoining sites and has made an offer to purchase the Council property.
- 2.4 This report seeks approval to dispose of the property to Platform on the terms and conditions outlined in the report.

3. Background

- 3.1 A key element of the Asset Management Strategy (AMS), approved at Finance & Resources Committee on 24 September 2015, is to create a fit for purpose, right sized estate. To achieve this, the Estate Rationalisation workstream has identified several buildings which could be released to reduce the size of the office estate.
- 3.2 One of those opportunities is the offices at Bonnington Resource Centre, 200 Bonnington Road. The building is situated on a site which extends to approximately 0.215 hectares (0.531 acres) as shown outlined in red on the attached plan as appendix 1.
- 3.3 Releasing the building would support the AMS objectives by:
 - reducing the size of the estate;
 - creating savings in property running costs to apply against AMS Estate Rationalisation targets; and
 - creating an opportunity for a capital receipt to apply against targets in the Investment Optimisation work stream;
- 3.4 The North East cluster teams are split over the locality in the Bonnington Centre, the Fort, Leith Community Treatment Centre and the North East local office in

Craigmillar. Due to the availability of vacant space, the Bonnington team has opted to co-locate with other teams in the North East locality office.

- 3.5 As this makes the offices at Bonnington surplus to operational requirements, the Tram to Newhaven Project Team has identified the Bonnington centre as being a suitable office for the early contractor involvement phase and has been granted occupation on a short term temporary basis from 1 April 2019.

4. Main report

- 4.1 To the north of the property, the former John Lewis depot has recently been marketed for residential development. The site, in part, adjoins the boundary of the Council property. Property developer, Platform, has secured preferred bidder status on that site and have also agreed terms for the purchase of a smaller site which also adjoins the Council property. The areas where Platform has secured an interest are shown outlined in blue on the attached plan at appendix 1.
- 4.2 Subsequently, due to their adjacent owner status, Platform has approached the Council with an offer to purchase the property at 200 Bonnington Road for the purposes of land assembly. This will permit the wider site to be master planned for what will be a residential led redevelopment of the wider area.
- 4.3 Provisional terms have been agreed with Platform as follows:
- Subjects: Former Bonnington Resource Centre, 200 Bonnington Road;
 - Purchaser: Platform;
 - Purchase Price: £1,350,000 inclusive of Council property costs and legal fees;
 - Leaseback: The Council will lease back the premises from the date of sale for £1 per annum to allow occupation by the Tram project team. This lease will end no later than 31 August 2020.
- 4.4 The offer is to purchase the property in its current condition with no deductions from the price for demolition and/or abnormal costs. In addition, Platform are prepared to purchase the property prior to planning permission being obtained for the residential led development of which it will form part.
- 4.5 The Council will lease back the property, at a nominal rent, to allow occupancy by the Tram Project Team with the Tram project liable for all occupation costs of the building. This will allow the Tram Project team to meet their contractual obligations in terms of the early contractor involvement phase.

5. Next Steps

- 5.1 Missives will be completed prior to the date of the Committee. The costs and risk for this will sit with Platform. The missive will be conditional on Committee approval and the sale of the property will complete shortly thereafter.

6. Financial impact

- 6.1 The Council instructed Jones Lang LaSalle to provide an independent valuation of the property to ensure that the offer received from Platform represented best value and included an uplift to reflect any marriage value realised from a sale to an adjacent proprietor. The valuation reported a figure of £1.1m.
- 6.2 The sale will produce a receipt of £1.35m, inclusive of costs, and added to the unconditionality of the offer creates a significant net return to the Council. The receipt will be decapitalised to create revenue savings credited to the ASM workstream.
- 6.3 Vacating the property will also produce a revenue saving of circa £107k per annum. Whilst the Council remains the tenant of the property these costs will be passed to the Tram Project Team effectively creating this saving from the date they took entry on 1 April 2019. The costs will be contained within the overall cost of the York Place to Newhaven project.

7. Stakeholder/Community Impact

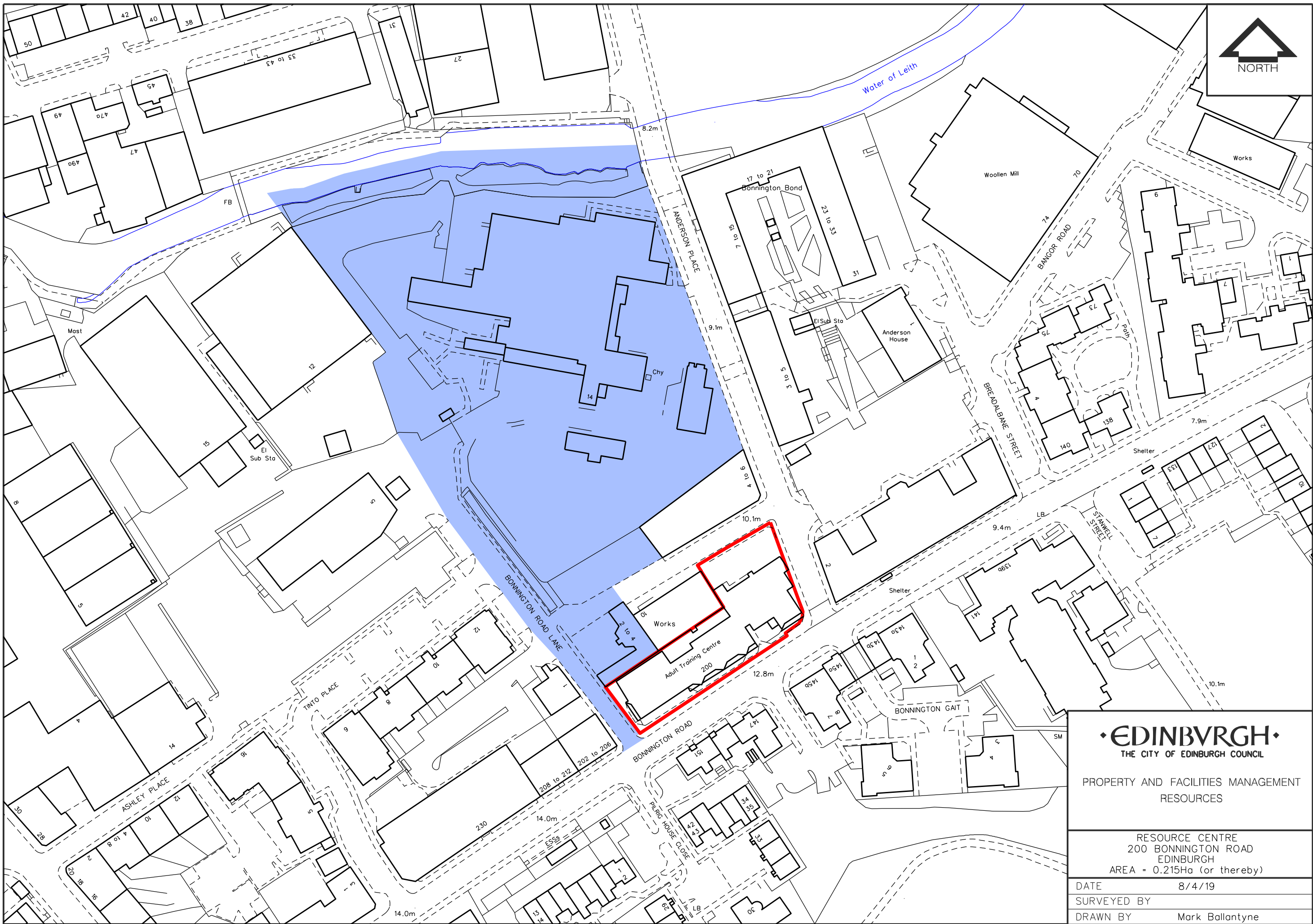
- 7.1 Ward elected members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

- 9.1 Appendix 1 – Location Plan



SITE PLAN

SCALE 1:1250

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
RESOURCE CENTRE 200 BONNINGTON ROAD EDINBURGH AREA = 0.215Ha (or thereby)	
DATE	8/4/19
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2040a

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Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Land at Cheyne Street, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	5 – Inverleith
Council Commitments	2

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the sale of 195 sq m (2,099 sq ft) of land at Cheyne Street to LifeCare Edinburgh on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Land at Cheyne Street, Edinburgh – Proposed Disposal

2. Executive Summary

- 2.1 LifeCare Edinburgh is a charity for the elderly based in Cheyne Street, Edinburgh where they operate care services.
- 2.2 It has emerged that an extension to the property, which was built in the 1980s has, in part, been constructed on land within the ownership of the Council.
- 2.3 LifeCare Edinburgh has approached the Council to purchase the area of land in question.

3. Background

- 3.1 LifeCare Edinburgh (LifeCare) is a charity for the elderly who operate registered care services at Cheyne Street. During the late 1980s, LifeCare constructed an extension to the property.
- 3.2 A recent title check by LifeCare's solicitor identified that part of the extension had been constructed on land owned by the Council. The area in question extends to 195 sq m (2,099 sq ft) as shown outlined in red on the attached plan. The blue shaded area on the plan shows the land currently in the ownership of LifeCare.
- 3.3 It appears that the original encroachment happened in good faith with LifeCare mistakenly believing that they owned the land. Consequently, to rectify the title position, LifeCare approached the Council requesting that the land is declared surplus to allow it to be sold to the charity.
- 3.4 The land is held on the Housing Revenue Account.

4. Main report

- 4.1 After negotiation, the following terms have been provisionally agreed for the sale of the land to LifeCare:
 - Purchaser LifeCare Edinburgh;
 - Price £100,000;

- **Conditions** A redevelopment clause will be included whereby the permission of the Council would be required should LifeCare seek to develop the property for an alternative use. The clause will have an agreed time limit;
- **Fees** Each party to meet their own fees and expenses.

4.2 While there are several approaches that could be taken to the valuation of the land, the purchase price in this instance reflects the market value based on existing use as part of a charity operated care home. The Council will seek to protect its position moving forward, via a clawback, should the entire property holding be sold on for alternative uses.

5. Next Steps

5.1 If Committee approval is granted, the Council will seek to enter into a missive for the sale of the land with LifeCare in accordance with the terms and conditions outlined within this report.

6. Financial impact

6.1 A capital receipt of £100,000 will be received in financial year 2019/20.

7. Stakeholder/Community Impact

7.1 Ward elected members have been made aware of the recommendations of this report.

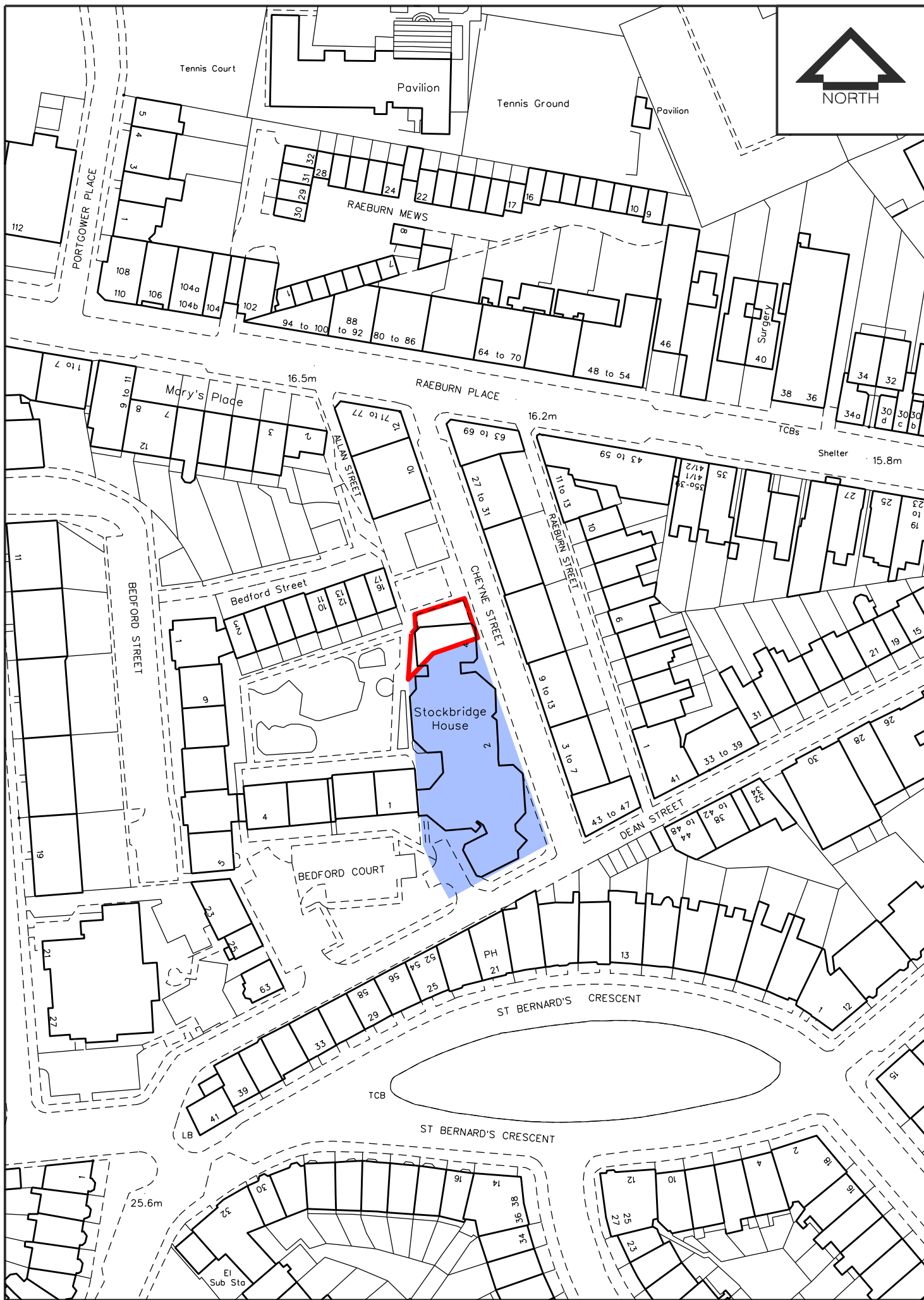
7.2 As the land has been used as an extension to the building for over 20 years it is not considered that the outcome of the report will have an adverse effect on Housing Revenue Account tenants in close proximity.

8. Background reading/external references

8.1 N/A.

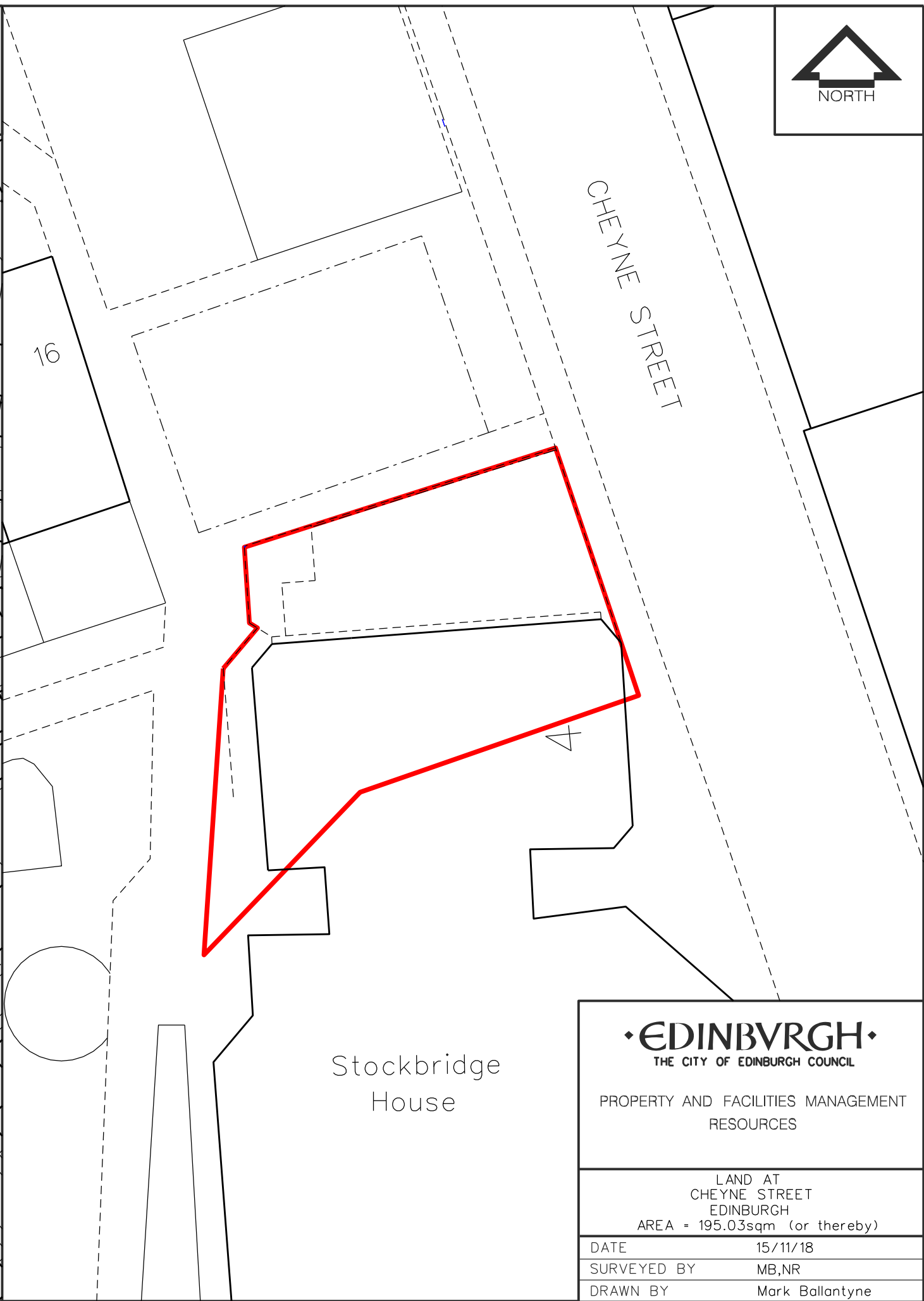
9. Appendices

9.1 Appendix 1 – Location Plan



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:200

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
LAND AT CHEYNE STREET EDINBURGH AREA = 195.03sqm (or thereby)	
DATE	15/11/18
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2030

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Block 1 Unit 5 Pennywell Town Centre, Edinburgh – Proposed Lease

Executive/routine	Routine
Wards	4 - Forth
Council Commitments	2, 3

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 10-year lease to Sara Zarar at Block 1 Unit 5 Pennywell Town Centre on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Stewart Irwin, Investment Portfolio Officer

E-mail: stewart.irwin@edinburgh.gov.uk | Tel: 0131 529 5951

Block 1 Unit 5 Pennywell Town Centre, Edinburgh – Proposed Lease

2. Executive Summary

- 2.1 The Pennywell / Muirhouse Civic Centre Redevelopment project is a three-phase housing led project providing new ground floor retail accommodation with residential uses above.
- 2.2 This project continues the wider transformation of this area along with the opening of the new Craigroyston Community High School in 2010, the Pennywell All Care Centre at the end of 2017 and the construction of approximately 1000 new homes.
- 2.3 To facilitate the Civic Centre redevelopment, Sara Zarar trading as Ali's Pizza will relocate from their existing leased property (Units 27-28) 59 Pennywell Road to a newly constructed unit within Phase 2 Block 1, when complete.
- 2.4 This report seeks approval to grant Sara Zarar a new 10-year lease of Block 1 Unit 5 on the terms and conditions outlined in the report.

3. Background

- 3.1 Planning Permission in Principle for the masterplan of the central Pennywell / Muirhouse Area was approved in August 2012.
- 3.2 On 27 October 2016, Council agreed to the delivery of a new civic centre for Pennywell / Muirhouse. This involves the demolition of 48 existing flatted properties, 25 commercial units and public realm. The agreed project budget included allowances for costs associated with relocating tenants, where applicable, and compensating those whose leases would be ended early, or altered, as a result of the development.
- 3.3 When complete, the civic centre project will include high quality, public realm, 13 modern retail units and 148 flats, 96 of which have been designed to help meet the needs of older people. The first phase of demolition and construction is expected to complete in April/May 2019.
- 3.4 Sara Zarar currently holds a lease of the Council owned (Unit 27-28) 59 Pennywell Road which is due to expire on 15 April 2021. The current rent is £10,000 per

annum. This unit is due for demolition in Q2 2019 to make way for the second phase of the Pennywell / Muirhouse Civic Centre Redevelopment.

- 3.5 Discussions have taken place with the tenant to close the business to allow for the demolition and construction period before relocating to a new commercial unit within Phase 2 Block 1 when construction is complete.
- 3.6 Block 1 will consist of 7 retail units on the ground floor and 40 residential properties above. Unit 5 has formed the basis of discussions which will extend to 101 sq m (1,087 sq ft) or thereby, as shown outlined in red on the attached plan.

4. Main report

4.1 Following negotiations between the Council and Sara Zarar the following terms have been provisionally agreed:

- Subjects: Block 1 Unit 5 Pennywell Town Centre (outlined red on attached plan);
- Lease term: 10-year lease from date of entry / completion;
- Rent: £17,400 per annum;
- Rent Free Period: 6 months' rent free from the date of entry;
- Repair: Full repairing and insuring lease;
- Rent Review: The rent will be reviewed on the 5th anniversary, upwards only, to open market rental value;
- Break Option: The tenant has a break option on the tenth anniversary;
- Use: The tenant shall use the premises as a hot food takeaway and ancillary space.
- Costs: The Council will be responsible for the tenants legal and professional costs in relation to the new lease and compensation negotiations;
- Other terms: As contained in a standard commercial lease; and
- Renunciation: Mutual renunciation of the tenant's existing lease of (Unit 27-28) 59 Pennywell Road.

4.2 In addition the Council will make a compensation contribution to the tenant of £241,000. This will cover the tenant's loss of business due to their closing for up to 24 months during the demolition and construction period and the tenant's costs of equipment storage, moving to, and fitting out, the new premises. The contribution figure was incorporated into the business case for the new civic centre that was previously been approved by the Council on 27 October 2018.

5. Next Steps

- 5.1 If Committee approval is granted, the Council will seek to enter into the agreement to lease with Sara Zarar, in accordance with the terms and conditions outlined within this report.

6. Financial impact

- 6.1 Securing the relocation of the tenant removes potential contract delay costs for the Pennywell / Muirhouse Town Centre Redevelopment project with all costs met from the HRA revenue budget for the project.
- 6.2 A rent of £17,400 per annum will be received from a new unit to be developed for a 10 year term. The income contributes to the previously approved business case for the civic centre redevelopment.

7. Stakeholder/Community Impact

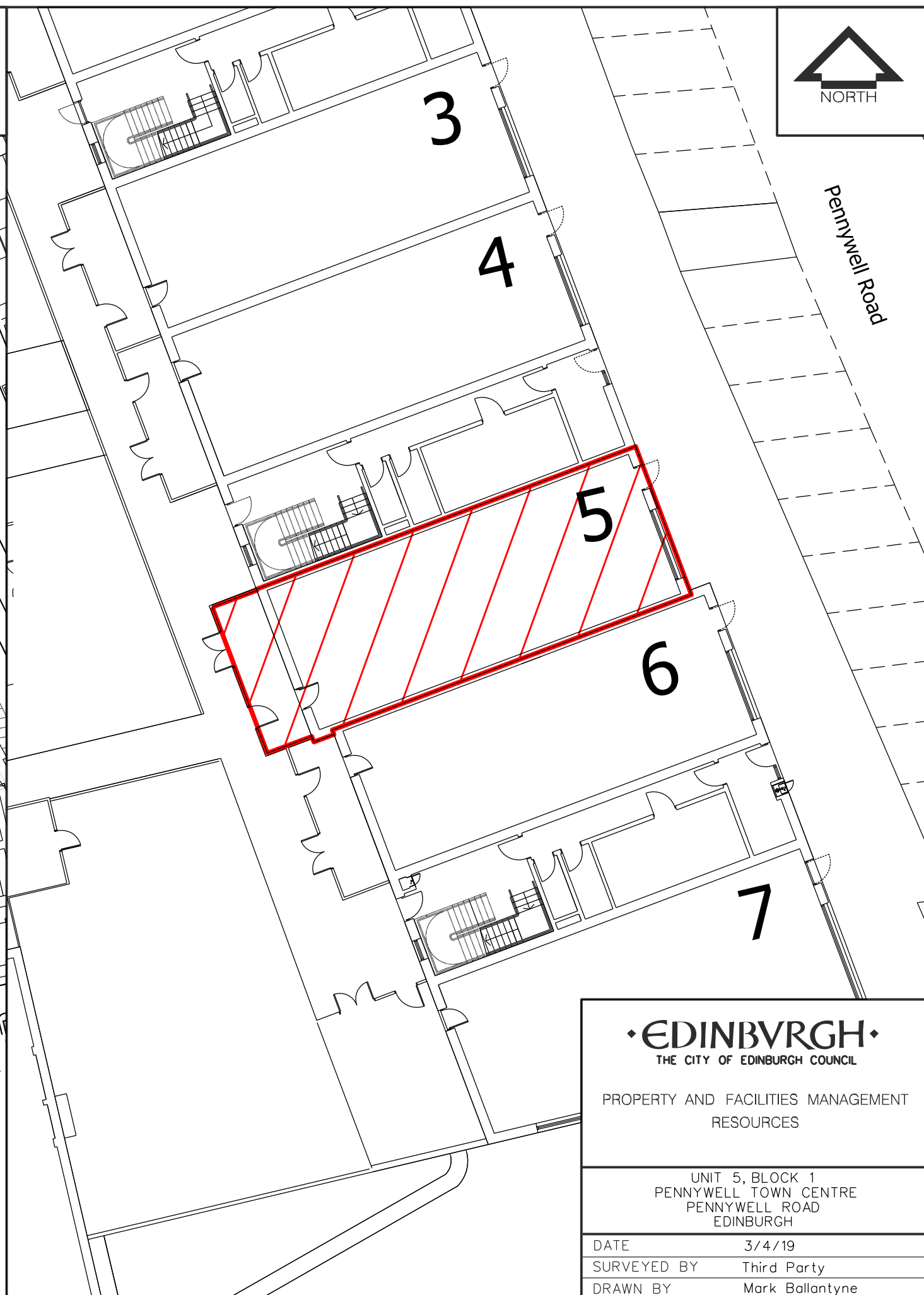
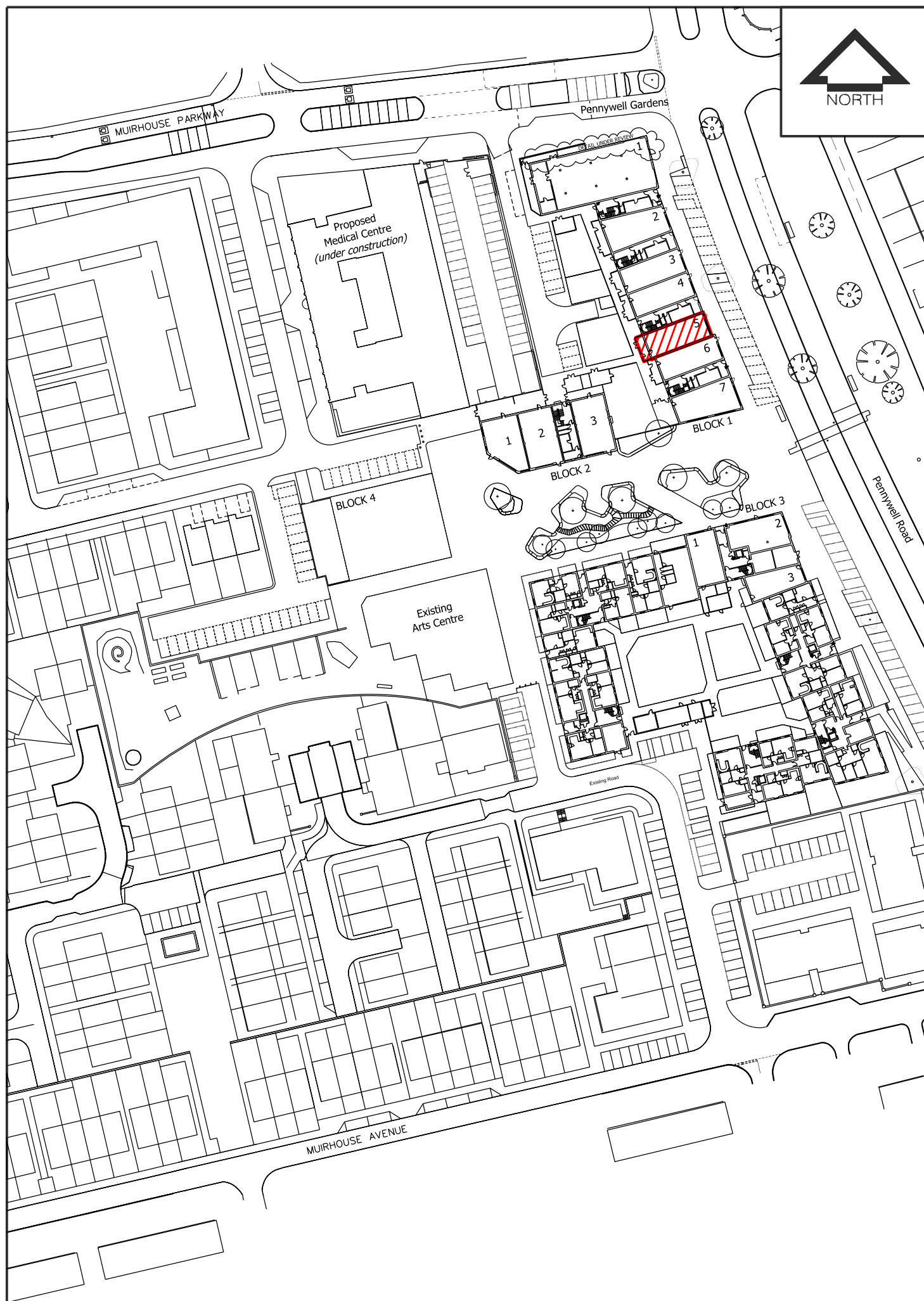
- 7.1 Ward elected members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

- 9.1 Appendix 1 – Location Plan



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:200

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

UNIT 5, BLOCK 1
PENNYWELL TOWN CENTRE
PENNYWELL ROAD
EDINBURGH

DATE	3/4/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2086a

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Ground Lease to Leith DIY Skateboard Park

Executive/routine	
Wards	13 – Leith
Council Commitments	39

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a Ground Lease of 25 years to Leith DIY Skateboard Park, on land at Hawthornvale, on terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Lesley Dryden BA (Hons) MRICS, Estates Surveyor

E-mail: lesley.dryden@edinburgh.gov.uk | Tel: 0131 529 4600

Finance and Resources Committee

Ground Lease to Leith DIY Skateboard Park

2. Executive Summary

- 2.1 This report seeks approval for a ground lease to facilitate the relocation of Leith DIY skateboard park from Melrose Place to an area of open space at Hawthornvale. The current site at Melrose Place is required for the construction of the Tram.

3. Background

- 3.1 Leith DIY are a youth group that provide a focus for skateboarders of all ages within the Leith Local Community. They have an organic approach to the design, construction and delivery of Skateboard Parks which encourages all members to become involved in all aspects of the process.
- 3.2 An unauthorised Skateboard Park was erected on waste ground on Melrose Drive; which is in the ownership of Forth Ports and is licenced to the City of Edinburgh Council for the construction of the Tram. When the Tram project is completed, the Council will take ownership of the land. In August 2018, part of the original Skateboard Park on Melrose Drive was removed for health and safety reasons due to the proximity of an electrical substation.
- 3.3 Construction works are due to commence on Lindsay Road for the York Road to Newhaven Tram project in September 2019, which will directly affect the Melrose Place site. Accordingly, there is a risk of delay to the Tram project if the skateboard park is not relocated.

4. Main report

- 4.1 Research was undertaken to consider a number of alternative site. After a site visit with Leith DIY and local Councillors, Hawthornvale was selected as a preferred site. The proposed lease site is located on an elongated parcel of land extending to circa 1,200 sq.ft. or thereby. It is adjacent to an existing basketball court and cycleway, which runs through the area. The land is held on the Housing Account.
- 4.2 The following main terms and conditions have been provisionally agreed with Leith DIY:

- Subjects: An area of land located adjacent to Hawthornvale Cycle Path and Basketball Court and as shown on the attached plan;
- Length: 25 years;
- Rent: £1 p.a.(if asked);
- Use: Skateboard Park, subject to planning permission being sought;
- Repairs: Fully Repairing and Insuring obligation;
- Legal Fees and Costs: Each party will meet its legal costs and fees.

4.3 The lease will ensure that no construction works will be undertaken until planning permission is approved in writing. The lease will also obligate the tenant to renew or remove from the site at the end of the lease.

5. Next Steps

- 5.1 It is aimed to remove the existing skateboard park in June 2019 which is when the Council are legally obliged to remove it from this site. Failure to do so will mean the Council will be in breach of the licence with Forth Ports. The tram works are scheduled to commence in September 2019 at this location.
- 5.2 The next steps will be to draft the lease and for the community group to gain planning permission and grant funding for the skateboard park on the new Hawthornvale site.

6. Financial impact

- 6.1 The Council will incur the costs of removing the current skateboard park, which will be covered by the Tram budget as part of the ground works for this site. There is a minimal, long term risk of the Council having to remove the future park at the end of the 25-year lease, or before, should Leith DIY disband, and the park no longer be required.
- 6.2 The subjects of lease are a former railway embankment and currently comprises open space that has limited alternative use of value.

7. Stakeholder/Community Impact

- 7.1 Councillors and MSP's have been engaged in this process and attended a site visit prior to a partial removal of the skateboard park in 2018. Several briefing notes have been issued subsequently.

- 7.2 It is envisaged that Leith DIY will undertake community engagement through the planning process.
- 7.3 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. There will be a positive benefit on equality and rights through this project which aims to improve the community integration and services in this area.

8. Background reading/external references

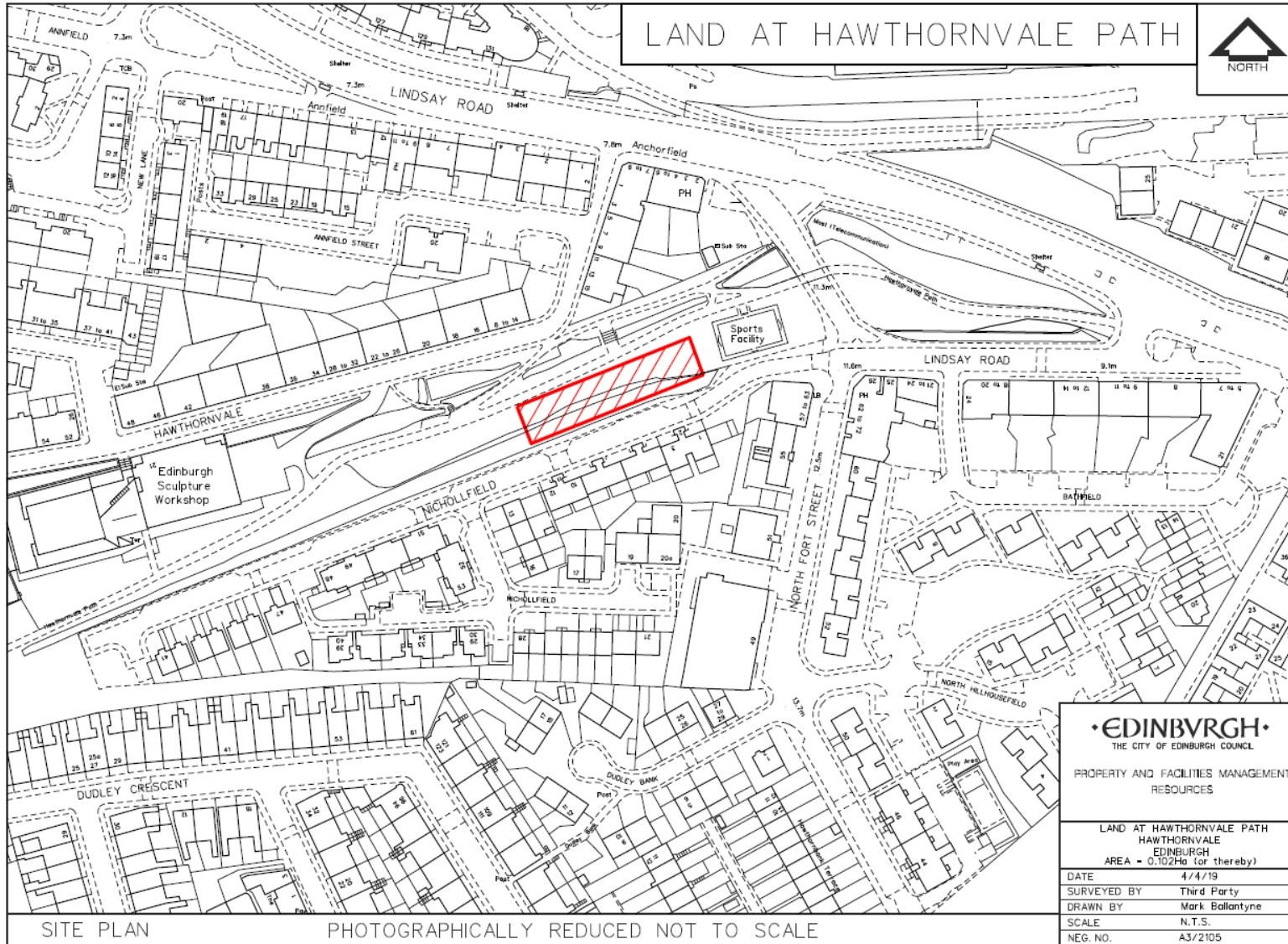
- 8.1 None

9. Appendices

Appendix 1 – Location Plan.

Appendix 2 – Tram Construction Plan.

Appendix 1

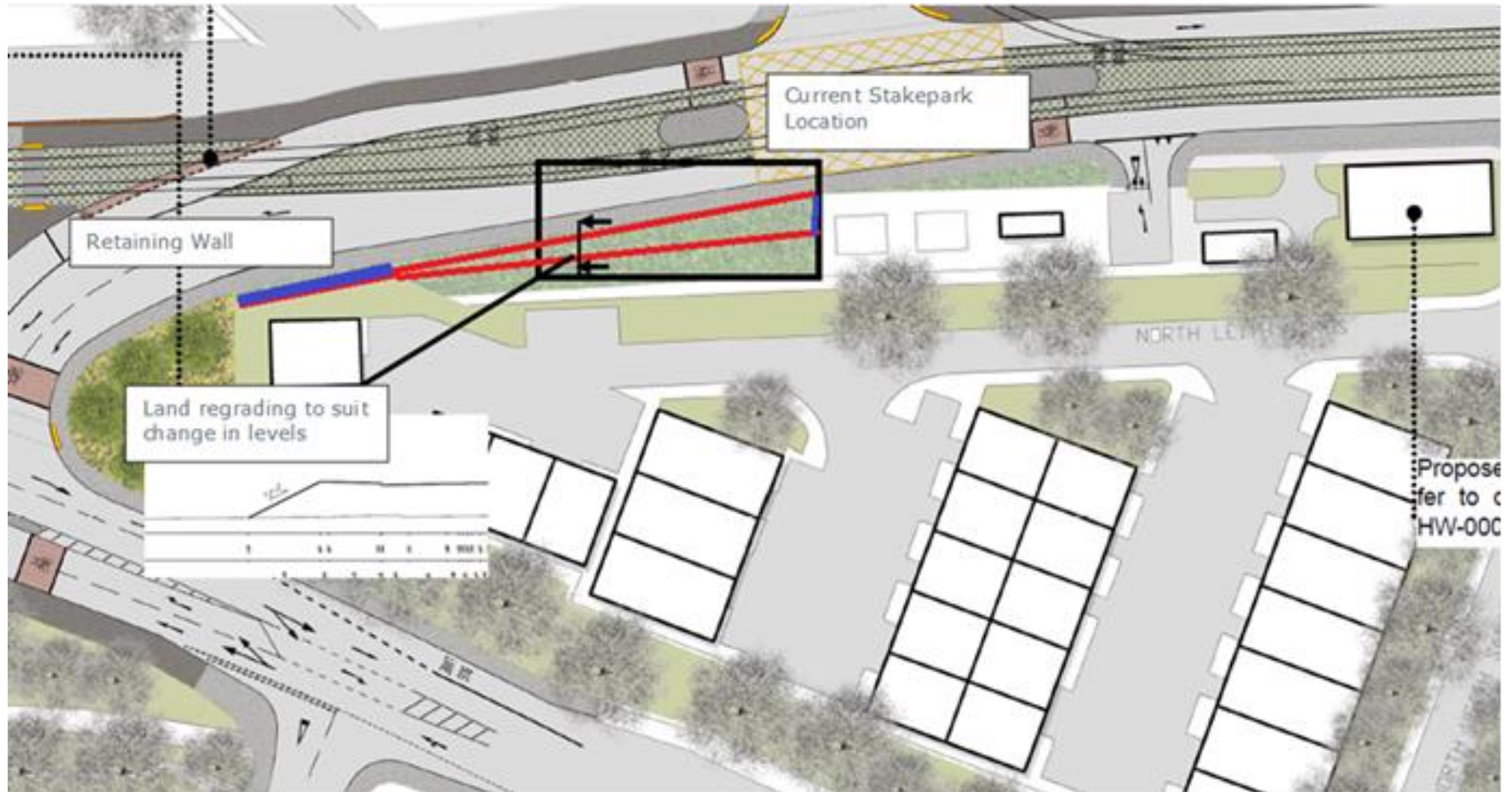


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Appendix 2

Tram Layout showing Melrose Place Skateboard Park



Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Proposed Lease, The Old Observatory House, Calton Hill

Executive/routine	
Wards	11
Council Commitments	15, 46

1. Recommendations

1.1 That Committee: -

1.1.1 Approves the proposed lease of The Old Observatory House, Calton Hill, Edinburgh, to Collective Gallery on the terms set out in this report and on such other terms and conditions to be agreed by Executive Director of Resources; and

1.1.1 Approves that the income from the Old Observatory House will be ring fenced within the Common Good Fund and allocated to the costs associated with the maintenance of the City Observatory complex.

Stephen S. Moir

Executive Director of Resources

Contact: Brian Paton, Senior Surveyor

E-mail: brian.paton@edinburgh.gov.uk | Tel: 0131 469 5228

Proposed Lease, The Old Observatory House, Calton Hill

2. Executive Summary

- 2.1 This report seeks authority to lease The Old Observatory House, Calton Hill to Collective Gallery on the terms outlined in the report.

3. Background

- 3.1 On 1 November 2011, the Finance and Resources Committee approved a 25-year lease of the Old City Observatory on Calton Hill to the Collective Gallery at a nominal rent of £1 per annum. The approval was directly related to the Collective Gallery relocating from their existing property at Anchor Close to allow the sale of the larger former Scotsman building.
- 3.2 The subjects included in the lease are shown hatched on Appendix One. Since that time, the Collective gallery, working in partnership with the Council, have restored the complex, for example, the City Dome opened to the public as a gallery in 2014.
- 3.3 The subjects of lease did not include Old Observatory House, which was subject to a separate agreement approved by the Culture and Leisure Committee, on 17 November 2009, and referred to the Finance and Resources Committee on 21 January 2010. The building was leased to the Vivat Trust who completed fitting-out to form holiday accommodation. The lease was set at £1 per annum, with a surplus profit share agreement. Profits returned into the Council were ring-fenced for the upkeep and development of the adjacent Observatory buildings. The arrangement resulted in an income of approximately £17,000 per year to the Council. The project ceased in 2015, when Vivat Trust entered into liquidation. Since then, the building has been unoccupied. The property is a Common Good asset and Court approval was gained in 2013 to allow a long-term lease to be granted.
- 3.4 Old Observatory House is shown crossed hatched in Appendix 1 and is an outstanding example of the very few extant buildings by James Craig and has great heritage value as the first Observatory on Calton Hill. It suffered from significant deterioration, exacerbated by dry rot, and was on Historic Scotland's "Buildings at

Risk” Register by 2002. Extensive building fabric repairs to the roof, masonry, pointing, drainage, windows, internal plaster and woodwork were carried out from 2007-2010, to restore the building to its original appearance and satisfactory condition.

- 3.5 The Collective Gallery now wish to include Old Observatory House within the wider lease of the Observatory complex, which is the purpose of this report.

4. Main report

- 4.1 The Council and the Collective Gallery have worked in partnership to secure grant funding for the refurbishment and re-development of the City Observatory and associated buildings within the Playfair designed walled grounds of Calton Hill. The scope of construction works included a new restaurant and coffee bar, refurbishment of the City observatory, Transit House and City Dome at a cost of £3.77m.
- 4.2 The works are now substantially complete and Collective Gallery are about to enter a 25-year lease of the property, as approved by Committee in 2011. In addition, Collective now wish to include Old Observatory House within the wider lease of the Observatory complex and run it principally as a holiday letting business.
- 4.3 Allowing Collective to operate Old Observatory House as holiday accommodation would ensure that the entire site is run by one party and income from the holiday lets reinvested in the upkeep of the wider site. As a non-profit making company with charitable status, this proposal will allow the Council to support the sustainability of Collective moving forward.
- 4.4 Collective intend to hold weddings and other private events in the City Observatory and the availability of the accommodation in the Old Observatory House would add value to these events.
- 4.5 The following heads of terms have been provisionally agreed:
- Subjects: The Old Observatory House;
 - Lease Term: Co-terminus with new lease of City Observatory so likely to expire in 2044;
 - Rent: Base rent £15,000 per annum plus profit share arrangement;
 - Rent Reviews: Reviewed on each fifth anniversary to Market Rental Value;
 - Use: Holiday accommodation;
 - Repairs: Tenant internal repairing. Council will retain control and responsibility for maintaining external and common parts of Observatory complex;

- Rates: Tenant's responsibility;
- Utilities: Tenant's responsibility;
- Costs: Both parties to meet their own costs; and
- Other terms: As contained in a standard commercial lease.

5. Next Steps

- 5.1 Should Committee be minded to approve this report, the Council's solicitors will be instructed to conclude all legal documentation.

6. Financial impact

- 6.1 A new rental income of £15,000 per annum plus profit share will be generated. The level of profit share is such that, should the business plan proposals be achieved, an additional income of £4,000 would be achieved in year one, rising to £13,000 in year five. This compares with a full market rental of £20,000 per annum for the property in its current state as holiday accommodation with no recent annual accounts.
- 6.2 The agreement between Council and Collective will stipulate that the income from the Old Observatory House will be ring fenced within the Common Good and contribute to the costs associated with the maintenance of the site.

7. Stakeholder/Community Impact

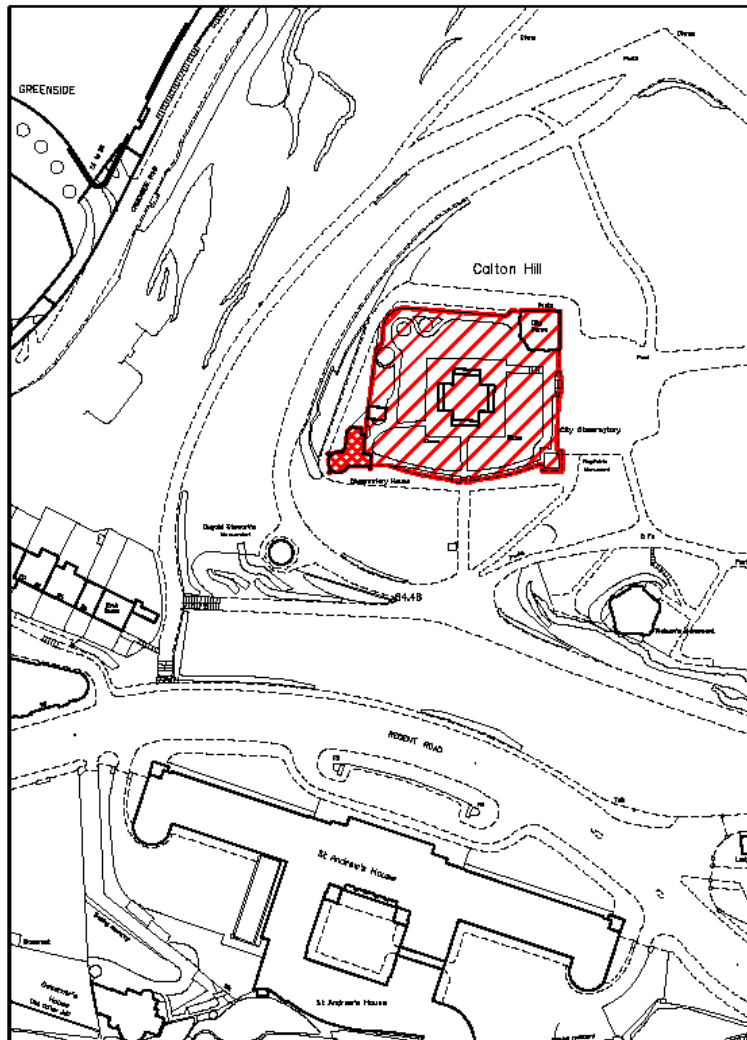
- 7.1 Ward elected members have been made aware of the recommendations of this report.
- 7.2 The impact on equalities has been considered. The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that a full IIA is not required for this report.

8. Background reading/external references

- 8.1 [http://www.edinburgh.gov.uk/download/meetings/id/50960/item_720 -
_refurbishment and redevelopment at the city observatory calton hill complex](http://www.edinburgh.gov.uk/download/meetings/id/50960/item_720_-_refurbishment_and_redevelopment_at_the_city_observatory_calton_hill_complex)
- 8.2 [http://www.edinburgh.gov.uk/download/meetings/id/32007/item_12 -
_old observatory house calton hill](http://www.edinburgh.gov.uk/download/meetings/id/32007/item_12_-_old_observatory_house_calton_hill)

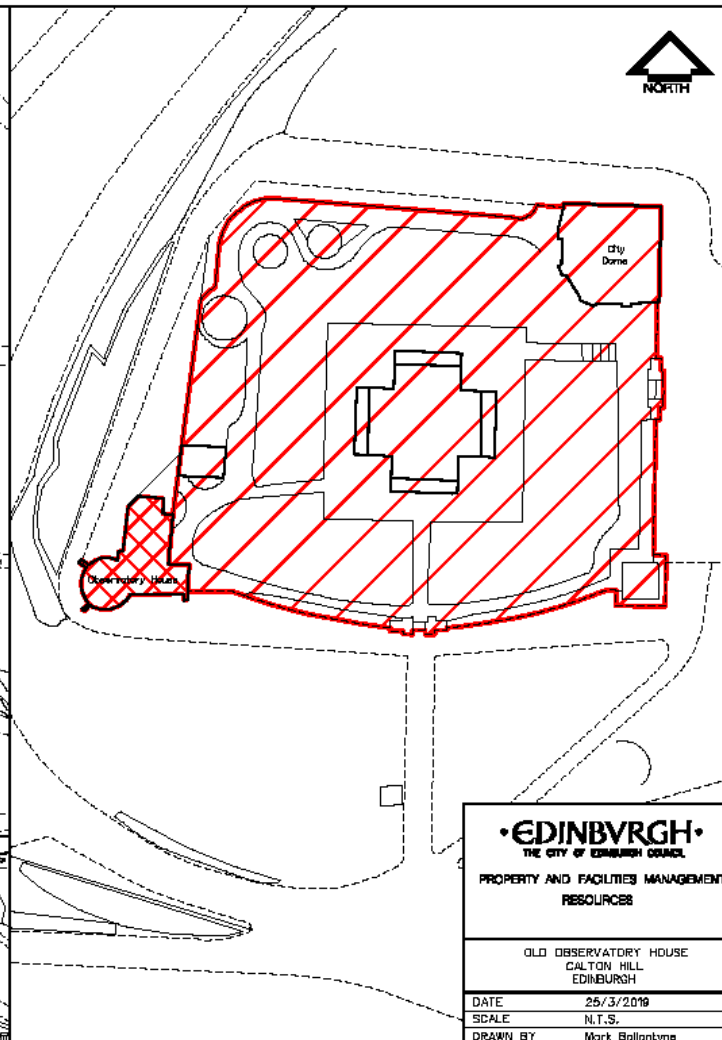
9. Appendices

- 9.1 Appendix 1 – Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE



SITE PLAN

EDINBURGH THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
OLD OBSERVATORY HOUSE CALTON HILL EDINBURGH	
DATE	25/3/2019
SCALE	N.T.S.
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/2019

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Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Land at Granton Quarry – Proposed Lease

Executive/routine	Routine
Wards	4 - Forth
Council Commitments	39

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the proposed lease of Granton Quarry to Edinburgh Wake Ltd, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Andrew McCurrach, Investment Portfolio Officer

E-mail: andrew.mccurrach@edinburgh.gov.uk | Tel: 0131 529 4682

Land at Granton Quarry – Proposed Lease

2. Executive Summary

- 2.1 The Council owns the former quarry situated on West Granton Road.
- 2.2 Discussions have taken place to grant a new lease over this site, to allow Edinburgh Wake Ltd to establish a Wakeboarding Park.
- 2.3 This report seeks approval to grant a new 15-year lease to Edinburgh Wake Ltd on the terms and conditions outlined in the report.

3. Background

- 3.1 Granton Quarry came into the ownership of the Council as part of the National Grid development site, which was purchased in March 2018.
- 3.2 The site forms part of Granton Waterfront which is identified as a Strategic Development Area in the adopted Edinburgh Local Development Plan.
- 3.3 In September 2018, the Council appointed Collective Architecture to lead a multi-disciplinary team to prepare a Development Framework and high level, delivery focused masterplan for Granton Waterfront. It is anticipated that the Development Framework will be presented for approval to the Planning Committee in autumn 2019.
- 3.4 The Quarry is currently unused and the Council are responsible for site security and maintenance costs. Given the nature of the site, potential uses are minimal.
- 3.5 Edinburgh Wake Limited approached the Council to take a lease of the quarry to establish a Wakeboarding Centre. In order to ensure that best value was obtained from any proposal, the quarry was marketed as a potential leisure opportunity and a closing date set. The proposal from Edinburgh Wake was the only bid received.
- 3.6 This proposal aligns well with the emerging development framework with progress on marketing the quarry for leisure use included within an update report on the Granton Waterfront Regeneration to the North West Locality Committee, on 30 January 2019. This report highlighted the intention to present to a future Finance and Resources Committee for approval to lease the land.

4. Main report

- 4.1 Following the closing date, the provisionally agreed terms are as follows:
- Subjects: Granton Quarry, West Granton Road, Edinburgh
 - Lease Term: 15-year term with tenant only break options on the 5th and 10th anniversaries (subject to 6 months prior written notice);
 - Stepped Rent: £3,000 in Year 1, £4,000 in Year 2 and £5,000 in Years 3-5 (exclusive of non-domestic rates, utilities and insurance);
 - Rent Reviews: Reviewed on each 5th anniversary, RPI lined with a minimum of 1% and maximum 3% increase at each review;
 - Use: Class 11 Leisure Use (subject to Planning Consent). Wakeboarding etc in quarry basin and associated facilities on surrounding land;
 - Repairs: Tenant repairing. Council will retain control and responsibility for maintaining external boundary walls;
 - Tenant Works: The tenant will install an office and café with changing rooms / WC's using shipping containers or a more permanent structure (subject to planning). The tenant will install one overhead tow line in the basin;
 - Costs: Each party to meet their own costs;
 - Other terms: As contained in standard commercial lease.

5. Next Steps

- 5.1 The Council will seek to enter into the lease with Edinburgh Wake Limited in accordance with the terms and conditions outlined within this report.
- 5.2 A planning application for a change to use to allow the Wakeboarding Centre to be established will be lodged by the tenant.

6. Financial impact

- 6.1 A new rental income of £22,000 will be generated for the General Property Account over the next 5 years.
- 6.2 Site security and maintenance costs will be passed to the tenant resulting in a revenue saving to the Council.

7. Stakeholder/Community Impact

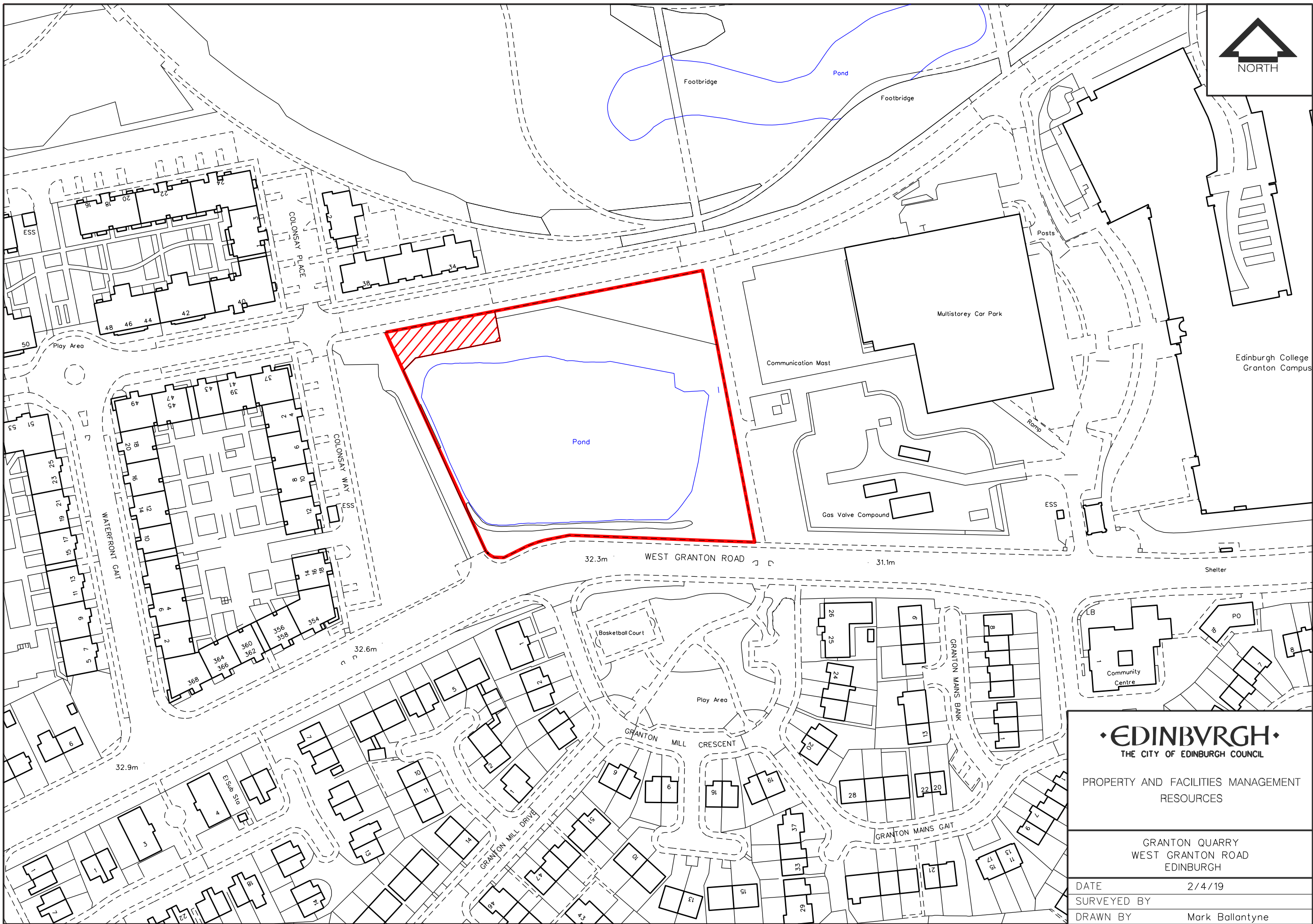
- 7.1 Ward elected members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 [Granton Waterfront Regeneration - Update Report to North West Locality Committee 30 January 2019.](#)

9. Appendices

- 9.1 Appendix 1 – Location Plan



SITE PLAN

SCALE 1:1250

EDINBURGH
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

GRANTON QUARRY
WEST GRANTON ROAD
EDINBURGH

DATE	2/4/19
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2103

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Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Award of Taxi Fare Reviews 2019-2022. Mini Competition under the Scotland Excel Consultancy Framework Agreement for Engineering and Technical Consultancy Services Lot2 Transportation and Traffic.

Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 That Committee:-

- 1.1.1 Approves the award of contract to Jacobs UK Limited to carry out reviews of the taxi fare tariff in Edinburgh for the next three taxi tariff reviews which are to be undertaken at eighteen month intervals or at shorter intervals if required starting from 3 June 2019 until 31 August 2022.

Paul Lawrence

Executive Director of Place

Contact: Andrew Mitchell

E-mail: Andrew.mitchell@edinburgh.gov.uk | Tel: 0131 469 5822

Award of Taxi Fare Reviews 2019-2022. Mini Competition under the Scotland Excel Consultancy Framework Agreement for Engineering and Technical Consultancy Services Lot2 Transportation and Traffic.

2. Executive Summary

- 2.1 This report seeks approval to award of contract to Jacobs UK Limited to carry out reviews of the taxi fare tariff in Edinburgh for the next three taxi tariff reviews which are to be undertaken at eighteen month intervals or at shorter intervals if required starting from 3 June 2019.
- 2.2 The total estimated contract value over the term of the contract is £32,915 and prices will remain fixed.

3. Background

- 3.1 The Council is the licensing authority responsible for licensing taxis and private hire cars in terms of the Civic Government (Scotland) Act 1982. In terms of Section 17 of the said Act, the Council must fix maximum scales for the fares and other charges in connection with the hire of a taxi. This contract will support the duties established by Section 17(2) of the said Act (as amended by Section 174(3) of the Criminal Justice and Licensing (Scotland) Act 2010) where the Council has to review these scales on a regular basis. The Council must fix scales within 18 months beginning with the date on which the scales came into effect. In carrying out a review, the Council is required to consult with persons or organisations appearing to it to be, or to be representative of, the operators of taxis operating within its area.
- 3.2 The Second Edition of the Scottish Government's Licensing of Taxis and Private Hire Cars Best Practice Guidance for Licensing Authorities, issued in April 2012, refers Councils carrying out taxi fare reviews to pay particular regard to advice contained in paragraphs 2.34 – 2.37 of Scottish Development Department Circular 25/1986:

“The Secretary of State expects that in fixing fares authorities will want to pay primary regard to the costs incurred by the trade, having regard to the capital costs (including interest payments) of the vehicles, the costs of maintaining and replacing them to the standards required by the licensing authority, of employing drivers and the prevailing level of wages and costs in related road transport industries. In the

Secretary of State's view the public interest is better served by ensuring that the maintenance of an adequate taxi service by giving the trade a fair return, than by depressing fares for social reasons, however understandable."

- 3.3 Once the Council makes a decision on setting taxi fare scales, taxi operators have a right of appeal to the Scottish Traffic Commissioner. The Commissioner does not issue general guidance to Councils in reaching decisions. The Commissioner considers each appeal on its own merits, but decisions indicate that (1) Councils should base decisions, as far as possible, on objective evidence, (2) there is no single "formula" which can produce an exact fare scale, but there must be an attempt to ensure that changes in operating costs are properly taken into account.
- 3.4 This report seeks approval of the procurement for these professional consultancy services to conduct, report and make recommendations upon these taxi tariff reviews.

4. Main report

- 4.1 Commercial Procurement Services conducted a mini-competition for consultants under the Scotland Excel Consultancy Framework for Engineering and Technical Consultancy Services Lot2 Transportation and Traffic.
- 4.2 A mini-competition process was carried out in accordance with the Public Contracts (Scotland) Regulations 2015 and Council Standing Orders. The tender opportunity was published on the Procurement Contracts Scotland (PCS) portal, on 31 January 2019, with all suppliers of lot 2 of the Scotland Excel Framework invited to submit a bid. A quality/cost ratio of 60:40 Quality/Price was utilised as evaluation criteria.
- 4.3 Two compliant bids were received with Jacobs UK Limited providing the most economically advantageous tender. A summary of the evaluation process is provided in Appendix 1.

5. Next Steps

- 5.1 Contract award documentation will be prepared and issued for Contract start date of 3 June 2019.

6. Financial impact

- 6.1 Prices shall be fixed for the duration of this contract. This will make contract management easier and provide financial stability for the Council.
- 6.2 The estimated value of this contract is £32,915 and is contained in the ringfenced licensing income and does not affect the revenue account.
- 6.3 The costs associated with procuring this Contract are estimated to be below £10,000.

7. Stakeholder/Community Impact

- 7.1 The equalities team were engaged and have advised that no Integrated Impact Assessment (IIA) is needed as no impact on the Council's specific public sector equality duties have been identified.
- 7.2 The objectives of the taxi tariff review(s) include a view to improve taxi provision during periods of peak demand and to take account of taxi services provided by digital technology and tram services.
- 7.3 A survey will be included of the public's perceptions as to the level of taxi fares in the city and their willingness and ability to pay higher fares at peak times if it is considered that this would result in an increased likelihood of obtaining a taxi. Consultation will be undertaken with groups including disability and special needs groups, local interest groups (including hospitals and visitor attractions), Community Councils, Neighbourhood Partnerships, Police Scotland (including the police officer with responsibility for dispersal in the city centre at night time) and a wide range of transport stakeholders e.g. rail/bus/coach providers and traffic managers.
- 7.4 The taxi tariff reviews are also to assess and take account of the Council's policy which imposes an age limit and emission standards on the fleet, and therefore potentially imposes additional costs Report to Regulatory Committee 16 March 2018.

8. Background reading/external references

- 8.1 Taxi Fare Review 2017 – Report to Regulatory Committee, 16 March 2018
http://www.edinburgh.gov.uk/meetings/meeting/4448/regulatory_committee
- 8.2 [Taxi and Private Hire Licensing: Best Practice for Licensing Authorities, Second Edition, April 2012](https://www2.gov.scot/Publications/2012/04/3534) <https://www2.gov.scot/Publications/2012/04/3534>

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	CT2546: Taxi Fares Reviews 2019-22 – Mini-Competition under the Scotland Excel Consultancy Framework for Engineering and Technical Consultancy Services 06-16. Lot 2 Transportation and Traffic.	
Contract Period	3 June 2019 to 31 August 2022.	
Estimated Total Contract Value (including extensions)	£32,915	
Procurement Route Chosen	Scotland Excel Framework Mini-Competition, Quick Quote.	
Tenders Returned	2	
Price / Quality Split	Quality 60	Price 40
	Criteria	Weighting (%)
Evaluation Criterion and Weightings	Contract Implementation	25%
	Contract Capacity	25%
	Contract Improvement	10%
	Contract Quality Systems	10%
	Contract Programme	10%
	Contract Management	20%
Evaluation Team	Officers from Regulatory Services, Housing and Regulatory Services.	

Finance and Resources Committee

10.00, Thursday, 23 May 2019

Contract Waiver for the Edinburgh Health and Social Care Partnership

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 To note the decision taken under urgency provisions, as described in section 4.1 of the Committee Terms of Reference and Delegated Functions, by the Chief Officer of the Edinburgh Integration Joint Board with the Convenor of the Finance and Resources Committee, to award a contract, via waiver, to the Good Governance Institute to ensure continuity of support.

Judith Proctor

Chief Officer of the Edinburgh Integration Joint Board

Contact: Jessica Brown, Programme Manager

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Contract Waiver for the Edinburgh Health and Social Care Partnership

2. Executive Summary

- 2.1 This report advises Committee of actions taken to award a contract, via waiver, under the Urgency Procedure (section 4.1 of the Committee Terms of reference and Delegated Functions) to the Good Governance Institute, to provide support to the Edinburgh Integration Joint Board (EIJB).

3. Background

- 3.1 The EIJB Chief Officer initiated a review of the governance systems and processes of the Board on coming into the post in May 2018. This was in recognition of the extent and complexity of the role of the EIJB and its growing maturity as a distinct entity as set out in the Public Bodies (Joint Working)(Scotland) Act of 2014.
- 3.2 Given the extent and scope of this review, the Chief Officer commissioned external, independent expertise to support the review. The review was commissioned from the Good Governance Institute and concluded that, overall, the EIJB does need to take action to strengthen its governance.
- 3.3 The review set out a series of 18 recommendations which support that strengthening of arrangements, as well as the longer term strategic ambitions and transformation potential of health and social care in Edinburgh.
- 3.4 The report recommended that changes and improvements to the governance of the EIJB would be developmental and would require the commitment of EIJB members over time. This report was considered and approved by the EIJB in December 2018 who agreed to all 18 recommendations and agreed that a further programme of work should be instigated as quickly as possible to implement the improvements set out in the report.

4. Main report

- 4.1 The Good Governance Institute was appointed in August 2018 to carry out a review of the governance systems and processes of the EIJB.
- 4.2 A report was presented to the EIJB in December 2018 which concluded that the EIJB does need to take action to strengthen its governance processes and which made a series of 18 recommendations about how this could be done.
- 4.3 The report recognised that the work to develop the EIJB and strengthen its governance would be developmental, rather than a “one off fix” and that it would require the commitment of EIJB members over time.
- 4.4 It was recommended that a governance partner was identified to work with the IJB on the following priorities:
 - To provide specialist governance advice, support and capacity to EIJB in relation to implementation of the governance review, the related action plan and the Good Governance Handbook and in respect of on-going strategic and practical governance issues;
 - To develop and deliver a year-long Board development programme;
 - To support the implementation of new Board committee structures with effect from April 2019;
 - To provide bespoke briefing and support to the leadership of EIJB in fulfilling their governance roles and responsibilities, using up-to-date intelligence; and
 - To support the development of the programme office as a key element in the sustainable governance of the EIJB.
- 4.5 The EIJB approved the report and all of its recommendations and agreed that action should be taken as quickly as possible to begin to implement the findings of the report.
- 4.6 The strengthening of the EIJB governance processes will be a key contributor to the success of the developing transformation programme and the delivery of the ambitions outlined in the draft Strategic Plan. As such, it is essential that this important work begins as soon as possible.
- 4.7 The Good Governance Institute has proven experience in implementing governance improvement and has worked with a number of other IJBs across Scotland on similar work programmes, displaying a clear grasp of the particular legislative environment within which IJBs operate. Engaging the Good Governance Institute to deliver the next phase of work will provide continuity of approach and ensure a swifter implementation, as they already have a firm understanding of the context and aims of the development programme.
- 4.8 On this basis, the decision was taken to award the contract, via waiver, to the Good Governance Institute. This was done under the Urgency Procedure (section 4.1 of the Committee Terms of Reference and Delegated Functions).

- 4.9 The decision was taken by the Chief Officer of the EIJB, in consultation with the Convenor of the Finance and Resources Committee, subject to the matter being reported to the next meeting of the Committee.

The value of the contract is £80,000 with up to a further £20,000 allowed for expenses. These fees will be contained within the Edinburgh Health and Social Care Partnership's existing revenue budget for the financial year 2019/2020.

5. Next Steps

- 5.1 As the decision to award the contract has already been taken, the next steps will be to begin the development programme with the EIJB and progress the implementation of the approved recommendations.

6. Financial impact

- 6.1 The value of the waiver will be £80,000, plus up to a further £20,000 for expenses. This will be contained within the existing revenue budget for 2019/2020.
- 6.2 There is some risk of challenge due to non-compliance with the Procurement Reform Act 2014.
- 6.3 Contract Standing Order 9 provides an option to waive standing orders where the requirement is in the Council best interest having regard for best value, risk, principles of procurement and the impact upon service users.

7. Stakeholder/Community Impact

- 7.1 The decision to award this contract via waiver has been reached with the agreement of the EIJB and in consultation with the Convenor of the Finance and Resources Committee.
- 7.2 The award of this contract will ensure that the current governance of the EIJB is strengthened, helping to support delivery of the transformation programme and Strategic Plan.
- 7.3 There are no adverse impacts relating to carbon, climate change or sustainable development arising from the contents of this report.

8. Background reading/external references

- 8.1 [Report to the Edinburgh Integration Joint Board, December 2018: Governance Review](#)

9. Appendices

None.

Finance and Resources Committee

10am, Thursday, 23 May 2019

Wellbeing Public Social Partnership – Phase Two

Routine
Wards
Council Commitments

1. Recommendations

- 1.1 The Finance and Resources committee is asked to:
- 1.1.1.1 Approve the extension of current contract agreements under the Edinburgh Wellbeing Public Social Partnership (PSP) Phase one for an additional five months at maximum total cost of £881,250. This will allow for alignment of all future funding to be combined into a single procurement process with new contracts being in place by 1 April 2020.
 - 1.1.1.2 Note the allocation of additional Scottish Government “Action 15” funding to the same providers for a maximum estimated value of £500,000.

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

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Wellbeing Public Social Partnership – Phase Two

2. Executive Summary

- 2.1 This report seeks approval from the committee to:
- 2.1.1.1 Approve the extension of the current Wellbeing PSP contracts until 31 March 2020 (26 contracts to the 16 providers listed at Appendix 1; this covers the period 1 November 2019 to 31 March 2020) and
 - 2.1.1.2 Note the distribution of additional Scottish Government funds to the same cohort of providers (as listed at Appendix 1), to a maximum combined value of £1,381,250. This will allow time to align all future funding, which will enable a single procurement process to commence and new contracts to be in place by April 2020.

3. Background

- 3.1 The Edinburgh Mental Health Wellbeing PSP was initiated by the Edinburgh Integrated Joint Board (EIJB) in August 2016. The Finance and Resources Committee awarded 28 contracts to 18 service providers in September 2017 for the period 1 November 2017 to 31 October 2019. Two of those providers surrendered the funding allocated and the funds were re-distributed to other member organisations within the PSP.
- 3.2 Public Social Partnerships (PSPs) are strategic partnering arrangements, based on a co-production approach, through which the public sector can connect with all stakeholders including people who use services and their carers, third sector (voluntary, charitable, and social enterprise) organisations and share responsibility with them for designing and delivering services in ways which meet identified service user needs. The PSP also links with statutory services to evolve better outcomes for service users.

4. Main report

- 4.1 Although the Wellbeing PSP has formally been in operation from November 2017, it has taken time to bring service providers together to work cohesively within the

locality working model. They have now formed robust partnerships between and within the third and statutory sectors and with service users and carers. During this time, data is being collated through contract monitoring and members of the PSP have helped identify new models of service delivery which will help to improve access and outcomes for people.

- 4.2 The intention is to create “open access’ Thrive centres and networks in each locality. These have the potential to improve outcomes for people by making sure that people get help when needed, promoting the principle of prevention and early intervention and form a central component of the Thrive Edinburgh Strategic Commissioning Plan for Mental Health.
- 4.3 The vision and commitment of partners in Edinburgh resulted in the successful inclusion of Edinburgh as one of only four UK sites being chosen by the Big Lottery to be supported by the “Living Well UK” which is led by the Innovation Unit. This 3-year programme runs from October 2018-2021 and is based on an approach developed in Lambeth, London, which features multi agency hubs linked to a broader set of community based services – the Living Well Collective.
- 4.4 In addition to coaching, mentoring and developmental support from the Innovation Unit, the package awarded by the Big Lottery also includes independent evaluation by Cordiss Bright, £100,000 per annum to build local capacity which will ensure participation from all sectors in this programme, and provide project management support for the programme and increase third sector interface input.
- 4.5 In March 2019, agreement was reached on the allocation of the “Action 15” funding from the Scottish Government’s Mental Health Strategy which supports the employment of additional mental health workers (800 across Scotland), to improve access in key settings including A&E, custody suites, prisons and GP surgeries. A significant part of this allocation will be allocated on a recurring basis to support the aspirations of the Wellbeing PSP (including the development of Thrive Centres and Networks). More information on the Action 15 funding allocation is outlined in appendix 2.
- 4.6 In year 2019 – 2020, the £500,000 allocation will be used to explicitly address the long waits across the city for accessing psychological therapies with a view to addressing the backlog through a range of initiatives delivered by both statutory and third sector partners.
- 4.7 As the 2019 – 2020 funding is an interim arrangement and below the £620,000 OJEU threshold, the Council has the ability under Section 13 of the Procurement Reform (Scotland) Act 2014 to award without seeking offers. A multi - agency core group (including membership from Commercial and Procurement Services) will allocate these awards informed by the current demand and pressure points. This approach will enable a number of legacy issues to be addressed prior to the new open access model being operational by April 2020.
- 4.8 The ongoing strategy will be to include all combined future funding in an openly advertised PSP Phase 2 opportunity. Therefore, an extension to the original

Wellbeing PSP will allow the time for all funding streams to be aligned to achieve optimum outcomes with refined service specification produced for the procurement process to commence by November 2019 latest.

5. Next Steps

- 5.1 The extension to the current PSP will allow for further analysis of valuable data being captured by the Third Sector through contract monitoring. This will help to identify capacity issues and interim contract awards will be granted from June 2019 to April 2020.
- 5.2 All monies available (current contracts and Action 15) will be combined and a procurement process will be published before November 2019.
- 5.3 The procurement process will be informed and will build on the learnings from the current PSP and those identified by the Innovation Unit funded by the Big Lottery, colleagues across Edinburgh have been working on outcomes, outlined in appendix 3.
- 5.4 Key performance indicators to measure progress and impact on achieving these outcomes will be agreed. These will form the basis of the Evaluation Framework which in turn will inform the service specification.

6. Financial impact

- 6.1 The value of extending the contracts for Wellbeing PSP Phase from 1 November 2019 to 31 March 2020 is £881,250. The recommended contracts have been the subject of direction by the EIJB to the Council. On this basis Finance and Resources Committee has the necessary authority needed to approve report recommendations.
- 6.2 The maximum value of the new contracts per annum which will be issued to commence in April 2020 is £3,046,000 per year.
- 6.3 The cost of advising the PSP and awarding the recommended contracts are estimated to be between £20,001 and £35,000.
- 6.4 A number of the recommended providers either own or lease property assets from which they will deliver services and this has added value to the PSP approach. Most also have additional income streams from other funders which they use to enhance the quality and choice of services on offer to service users.

7. Stakeholder/Community Impact

- 7.1 One of the overall aims of the PSP approach is to ensure meaningful consultation and engagement with all stakeholders throughout the commissioning process to ensure the best services are procured for service users. This will continue through out any new contract period.

- 7.2 No significant environmental impacts are expected to arise from report recommendations.
- 7.3 Providers will be required to demonstrable acceptable arrangements in respect of business continuity risks.
- 7.4 As noted at 3.2 the PSP approach is deemed to be consistent with the spirit of best practice guidance issued by Scottish Government in 2016. Subject to approval of this report's recommendations any lessons learned from the original PSP process will be identified and any amendments to existing policy, compliance and governance arrangements will be applied.
- 7.5 There is risk associated to completing a new service specification by November 2019. However, the increased capacity and support through being a partner site mitigates this.
- 7.6 To ensure proportionate ongoing oversight, the progress of the PSP arrangements set out in this report will be the subject of bi annual report to the Health and Social Care Procurement Board, made up of Edinburgh Integration Joint Board (EIJB), Corporate Policy and Strategy, Finance, Contracts and Strategic Commissioning Officers, and of annual report to the EIJB.

8. Background reading/external references

- 8.1 Waiver, Mental Health Wellbeing Services, Finance and Resources Committee, 1 December 2016.
- 8.2 Edinburgh Wellbeing Public Social Partnership, Edinburgh Integration Joint Board, 14 July 2017.
- 8.3 Award of Contracts for the Delivery of Mental Health Wellbeing Services, Finance and Resource Committee, 5 September 2017.
- 8.4 Thrive Edinburgh Draft Commissioning Plan.

9. Appendices

- 9.1 Appendix 1 – Annual Contract Awards
Appendix 2 – Action 15 Funding Allocation
Appendix 3 – Person Centred Outcomes

Appendix 1 - Recommended Annual Contract Awards which will be pro-rated for 5 months.

Locality PSP	Annual Value	Extension Value
North East		
<i>Support in Mind</i>	£ 164,000	£68,333
<i>NEECS</i>	£ 81,000	£33,750
<i>Link Up</i>	£ 60,000	£25,000
<i>Seasons</i>	£ 36,000	£15,000
Sub Total	£ 341,000	£142,083
North West		
<i>Living Well</i>	£ 121,000	£50,417
<i>Pilton Community Centre</i>	£ 53,000	£22,083
<i>Health in Mind</i>	£ 145,000	£60,417
Sub Total	£ 319,000	£132,917
South East		
<i>Contact Point</i>	£ 151,000	£62,917
<i>Health in Mind</i>	£ 145,000	£60,417
<i>Unallocated</i>	£ 5,000	£2,083
Sub Total	£ 301,000	£125,417
South West		
<i>SAMH</i>	£174,000	£72,500
<i>Health in Mind</i>	£105,000	£43,750
<i>Cyrenians</i>	£ 25,000	£10,417
<i>Broomhouse</i>	£ 5,000	£2,083
Sub Total	£309,000	£128,750
TOTAL	£1,270,000	£529,167

Pivot Partnership PSP		
Crisis Support		
<i>Penumbra</i>	£ 400,000	£166,667
Sub Total	£ 400,000	£166,667
Active and Green Spaces		
<i>Cyrenians</i>	£ 10,000	£4167
<i>ELGS</i>	£ 10,000	£4167
<i>Edinburgh Leisure</i>	£ 80,000	£33,333
Sub Total	£ 100,000	£41,667
Mind Space		
<i>Penumbra Self Harm</i>	£ 90,000	£37,500
<i>Health in Mind</i>	£ 60,000	£25,000
Sub Total	£ 150,000	£62,500
Peer Support Collaborative		
<i>Penumbra – Plan 2 Change</i>	£ 145,000	£60,417
<i>Health in Mind</i>	£ 30,000	£12,500
<i>Cyrenians</i>	£ 5,000	£2,083
<i>Carr Gomm</i>	£ 5,000	£2,083
<i>SAMH</i>	£ 5,000	£2,083
<i>CAPS Independent Advocacy</i>	£ 5,000	£2,083
Sub Total	£ 195,000	£81,250
TOTAL	£ 845,000	£352,083
COMBINED ANNUAL TOTAL		
	£2,115,000	£881,250

Appendix 2

Proposed Action 15 funding allocation via a new procurement process is shown below:

Year	Amount £
2019 - 20	500,000
2020 - 21	931,000 increasing to
2021 - 22	939,000
2022 onwards Recurring	939,000

Appendix 3

Colleagues across Edinburgh have been working with the Innovation Unit to produce an agreed set of outcomes:

Person Centered Outcomes	
People have choice and control	People are living in settled accommodation of their choice where they feel safe and secure
People feel connected and have positive relationships	People are recovering, staying well and can live the life they want to lead
People have opportunities to learn, work and volunteer	People receive good quality, person centred help, care and support
System Outcomes	
Timely access to high quality person centered help and support when and where it is needed	Reduced levels of mental and emotional distress
Reduced demand on unplanned, crisis, residential and inpatient provision across health and social care services	

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Vega Building, Clocktower, South Gyle Crescent, Edinburgh – Proposed Lease Restructure Update

Executive/routine	Routine
Wards	3 – Drum Brae/ Gyle
Council Commitments	<u>2</u>

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the surrender of the lease at the Vega building by KUC Properties Limited and the grant of a new 10-year lease to Pulsant Limited on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager,

Property and Facilities Management Division, Resources

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Land at Newcraighall – Proposed Lease and Lease Extension

2. Executive Summary

- 2.1 On 1 February 2019, the Finance and Resources Committee approved the surrender of the lease at the Vega building by KUC Properties Limited and the grant of a new 10-year lease of part of the building to Pulsant Limited.
- 2.2 Following approval, Pulsant Limited has requested to lease the entire building resulting in revised terms and conditions.
- 2.3 This report seeks approval to lease the property, as a whole, to Pulsant Limited on the revised terms and conditions outlined in the report.

3. Background

- 3.1 The Vega building is a modern office formed over three floors around a central core and extends to 1,974 sq m (21,249 sq ft) or thereby and is shown outlined in red on the attached plan attached at appendix 1.
- 3.2 The property is currently leased to KUC Properties Limited (KUC) on standard FRI terms from 13 January 2001 to 12 January 2021. The current passing rent is £417,777.75 per annum.
- 3.3 The property is over rented with the passing rent equating to £19.66 per sq ft, which could not be achieved in current market conditions. This has been the historic position as the rent has never been increased at rent review in 2006, 2011 and 2016 due to the passing rent already being above market value.
- 3.4 KUC has never occupied the building. They sub-leased to Police Scotland that expired in February 2015 and, since that time, the building has remained vacant. KUC has now approached the Council seeking to agree terms for an early surrender of the lease.
- 3.5 In tandem with the above, Pulsant Limited, a leading secure hybrid IT and cloud hosting provider, originally approached the Council to lease part of the Vega building from July 2019. The terms and conditions were approved by the Finance

and Resources on 1 February 2019. However, since that time, Pulsant have requested lease the entire building which alters the original terms and conditions.

4. Main report

- 4.1 It has been known for some time that the existing lease to KUC was over rented and part of the strategy moving forward has been to address the risks of potentially having a vacant office building in early 2021, with associated void costs, and mitigate the future budget pressure due to the reduction in rent once a new tenant was secured
- 4.2 The revised proposition is that, in return for an early surrender of their lease, KUC will pay the Council £185,000 at the agreed date (1 July 2019) being full and final settlement of all outstanding obligations under the existing lease. The reduction in the surrender premium from the previous report is due to no vacant property costs and the premium now consists the difference in rent between the KUC lease rental rate (£19.66 per sq ft) and the Pulsant lower rental rate (£14.00 per sq ft) until the end of the original lease, 12 January 2021.
- 4.3 In addition, KUC will undertake a full refurbishment (to an agreed specification) of the entire building at a cost of £700,000 thus discharging their dilapidations liability and facilitating the letting to Pulsant.
- 4.4 The new terms provisionally agreed with Pulsant are as follows:
- Subjects: Ground, first and second floors of Vega building, Clocktower, South Gyle Crescent, Edinburgh, extending to 1,974 sq m (21,249 sq ft) or thereby;
 - Landlord: The City of Edinburgh Council;
 - Tenant: Pulsant Limited;
 - Lease Start: 1 July 2019;
 - Lease End: 30 June 2029;
 - Break Option: Tenant only break option at 1 July 2024 on providing no less than 12 months written notice;
 - Rent Review: Upwards only to open market rent at 1 July 2024;
 - Rent: £297,486 per annum exclusive based on £14.00 per sq ft;
 - Use: Office;
 - Incentive: Tenant to be granted six months' rent free from date of entry;
 - Costs: Both parties to meet their own costs with tenant responsible for LBBT and registration dues.

- 4.5 The status quo would see KUC remain tenant until the end of the lease, with rental liability under the existing lease until 12 January 2021. At that time, the dilapidations would be required to be completed, creating a void period, and the Council would require find a new tenant, with the risks that entails. The proposal allows for continuous occupation with the entire property for the next ten years.

5. Next Steps

- 5.1 Following approval of the revised terms by Finance and Resources Committee, solicitors will be instructed to conclude the documentation.

6. Financial impact

- 6.1 If the Council was to do nothing, it would receive £417,777.75 per annum up to the expiry of the KUC Properties Limited lease at January 2021. Thereafter a large vacant building, with substantial holding costs, would require to be re let with a large dilapidation claim to be settled prior to any refurbishment taking place.
- 6.2 The proposed transaction provides the Council with a £185,000 surrender premium covering a top up on the lower rent. It is proposed that this rental income should be ring fenced and drawn down at the appropriate times to maintain the same level of income that would have been received should the KUC lease run to expiry.
- 6.3 This transaction provides guaranteed income to the Council under the Pulsant lease at £297,486 annum until the earlier of the tenant break option date of 1 July 2024 or the lease expiry date of 30 June 2029.

7. Stakeholder/Community Impact

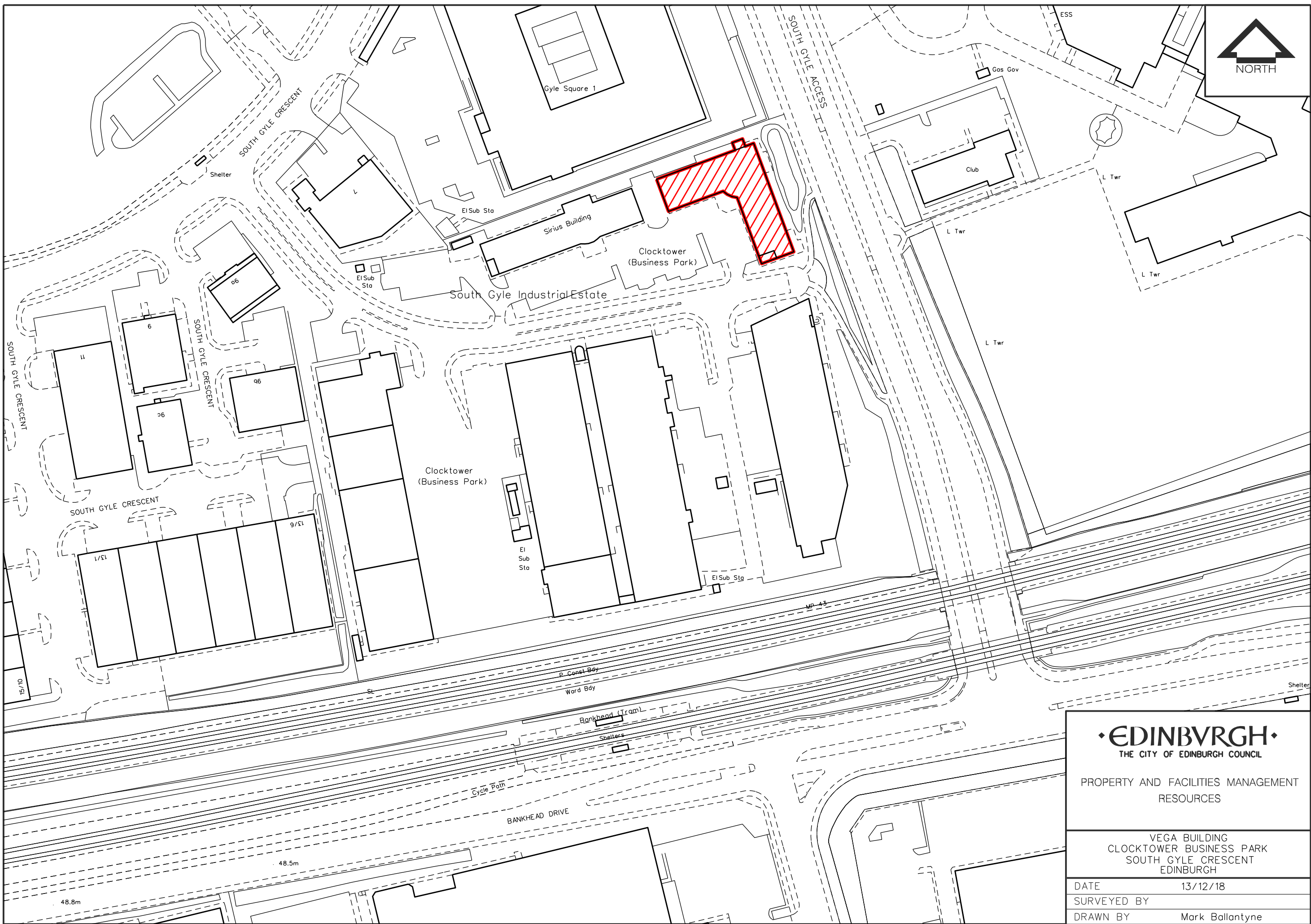
- 7.1 Ward elected members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

- 9.1 Appendix 1 – Location Plan



SITE PLAN

SCALE 1:1250

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
VEGA BUILDING CLOCKTOWER BUSINESS PARK SOUTH GYLE CRESCENT EDINBURGH	
DATE	13/12/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1941a

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Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Internal Audit – Developer Contributions – referral from the Governance, Risk and Best Value Committee

Item number	8.19
Executive/routine	
Wards	
Council Commitments	

1. For Decision/Action

- 1.1 The Governance, Risk and Best Value Committee has referred the attached Developer Contributions Audit to the Finance and Resources Committee for review and scrutiny.

Laurence Rockey

Head of Strategy and Communications

Contact: Jamie Macrae, Committee Officer

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Referral Report

Internal Audit – Developer Contributions – referral from the Governance, Risk and Best Value Committee

2. Terms of Referral

- 2.1 The Governance, Risk and Best Value Committee on 7 May 2019 considered the [Internal Audit Quarterly Update Report: 26 November 2018 to 29 March 2019](#), which detailed progress with the 2018/19 Internal Audit Plan and the outcomes of the completed audits.
- 2.2 One of the completed audits submitted was the Developer Contributions audit, which was rated as “Significant enhancements required”.
- 2.3 The Governance, Risk and Best Value Committee agreed:
- 2.3.1 To approve the proposals to carry forward three audits into the 2019/20 plan year.
 - 2.3.2 To note the outcomes of the completed audits.
 - 2.3.3 To note progress with the delivery of the 2018/19 Internal Audit (IA) plan and the carried forward 2017/18 audits.
 - 2.3.4 To note that reporting performance against IA key performance indicators will start in the new 2019/20 IA plan year.
 - 2.3.5 To note key IA priorities and ongoing areas of focus.
- 2.4 The Committee also requested that the Developer Contributions audit be referred to both the Finance and Resources Committee and the Planning Committee, for review and scrutiny.

3. Background Reading/ External References

- 3.1 [Internal Audit Quarterly Update Report: 26 November 2018 to 29 March 2019](#) – report by the Chief Internal Auditor.
- 3.2 [Governance, Risk and Best Value Committee – 7 May 2019 – Webcast](#)

4. Appendices

Appendix 1 – Internal Audit – Developer Contributions

The City of Edinburgh Council

Internal Audit

Developer Contributions

Final Report

1 May 2019

Project Code

PL1802

Overall report rating:

**Significant
enhancements
required**

Significant areas of weakness and non-compliance in the control environment and governance and risk management framework that puts the achievement of organisational objectives at risk

Contents

1. Background and Scope	2
2. Executive summary	5
3. Detailed findings	7
Appendix 1 - Basis of our classifications	16

This internal audit review is conducted for the City of Edinburgh Council under the auspices of the 2018/19 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2018. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there is a number of specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

1. Background and Scope

Background

Developer contributions (also referred to as infrastructure contributions; planning obligations; and section 75 Agreements in Scotland) are contracts entered into between a landowner or developer and the planning authority. They mostly occur in relation to planning applications, and can include financial contributions towards schools, roads, transport, public realm, and affordable housing.

Relevant legislation and guidance

The Scottish Government's [Supplementary Guidance \(SG16\) on Developer Contributions](#) notes that:

- Section 69 of the Local Government (Scotland) Act 1973 gives authorities the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions. This provision enables agreements to be made which can include financial payments; and
- both Section 75 and 69 Agreements will be used by Councils to secure developer contributions. In cases where a relatively small financial contribution in relation to the overall development cost is involved, it may be possible (with developer agreement) to issue a Council invoice for developer contributions of less than £20,000. Payment of the invoice will be required before the decision notice is issued.

The City of Edinburgh Council's (The Council) [LDP Supplementary Guidance - Developer contributions and infrastructure delivery](#) also notes that:

- developer contributions (except for payments toward land) will be index linked;
- contributions towards education infrastructure will be held for 30 years from the date of construction of new school infrastructure;
- all other contributions will be held for 10 years;
- if the actual cost of delivering the new infrastructure is lower, S75 legal agreements can make provision for the repayment of unused contributions;
- applicants have the opportunity to ask the Council to consider modifying existing S75s to reflect contribution rates that have been updated to take account of up-to-date costs; and
- applicants have the statutory right to apply to the Council for the modification or discharge of a Section 75 agreement.

Identifying, calculating, and agreeing developer contributions

The Council's Planning team process all planning applications received, including assessing whether developer contributions are required.

The first step is to consider whether the planning application is aligned with the Council's Local Development Plan (LDP) which sets out a development strategy and several proposals across the city for the next 10 years, with supporting infrastructure requirements detailed in the Action Programme (AP). These can be located at [Edinburgh LDP and AP](#).

If the development is included in the LDP and AP, a planning case officer will determine the nature and value of contributions relevant to the planning application. Where the proposed development is not included in the LDP and AP, further engagement with service areas (for example, Transport and Housing) is required to establish the infrastructure requirements; associated costs; and contributions required.

The Planning case officer then co-ordinates a proposal in conjunction with other service areas. The proposal is discussed and negotiated with the developer.

Final proposals are reviewed by planning team managers and presented to the Development Management Sub-Committee (DMSC), for approval once every 2 weeks. Some proposals, with smaller contribution amounts, are not presented to DMSC for review, and are not supported by legal agreements. Following Committee approval, proposals are referred to the Council's Legal team and outsourced to an external legal firm for development of the relevant legal agreements.

The legal agreement specifies the total value of the contribution; phasing of payments; and utilisation of the funds. Some legal agreements also state the requirement for exclusive use of contributions for a specified purpose and/or for a specified duration.

All key documents relating to each stage of the planning application, including final developer legal agreements, are publicly available on the Council's [planning portal](#).

Two planning officers are responsible for monitoring developments across the city; reviewing development progress in their area; and liaising with developers to ensure that contributions are received on time. These planning officers also raise invoices for contributions and inform service areas when contributions have been received.

All development contributions received are administered by Finance (until funds are requested by service areas) via an excel spreadsheet that records all contributions received, and their subsequent allocation to infrastructure developments. The spreadsheet is referenced with the relevant planning application numbers, and dates back to 2003.

Treasury also allocates unutilised developer contributions into temporary investments to earn interest Income.

Planning operates under a Scottish Government Performance Framework which has target of processing every local application within 2 months from the date of application, and major development applications in 4 months or the date defined in the planning processing agreement. The Council, in conjunction with the developer, developed legal agreements for 14 major applications in 2017/18 with an average processing time of 66.2 weeks.

Scope

The objective of this review was to assess the adequacy of the design of the controls established to support development; agreement; and approval of developer contribution legal agreements by Planning and Legal Services, and subsequent administration and application of developer contributions by Finance.

The outcomes of the review also provide assurance on the controls established to manage the following risk identified in the Planning Services risk register:

Risk that section 75 developer's money is held but not used and that at a future date the developers may want the money back.

Whilst Finance manages developer contributions, there is no relevant risk recorded in the Finance risk register.

Our work was performed during the period August 2018, and concluded on 31 August 2018. Our opinion and findings are based on the review outcomes as at that date. There was a delay in issuing the draft report due to Internal Audit resourcing challenges, with the initial draft issued on 24 January 2019.

Limitations of Scope

The following areas were specifically excluded from the scope of this review:

- as management has confirmed that there are known weaknesses in the design of the controls supporting the end to end developer contributions process, no testing was performed to confirm how effectively the controls are applied; and
- all other aspects of Planning operations and the performance framework that do not specifically relate to developer contributions.

2. Executive summary

Total number of findings: 3

Summary of findings raised	
High	1. Backlog of legacy developer contributions
High	2. End to end developer contribution processes, procedures, and training
High	3. Ongoing management of developer contributions

Opinion

Our review confirmed that significant enhancements are required to improve the design of the controls supporting development; agreement; and approval of developer contribution legal agreements by Planning and Legal Services; and ongoing management and allocation of the funds received by Finance.

The need to enhance the design of the control framework supporting developer contributions was initially highlighted by Internal Audit in the review of Planning Controls and the Local Development Plan completed in October 2015, where 4 Medium and 2 Low rated findings were raised.

As part of the self-attestation exercise performed across the Council in February 2018, management confirmed that three of the original Medium rated actions included in this report had not been implemented. These findings reflected the need to ensure that:

1. ensure that progress against delivery of legal agreement terms is effectively monitored in the Uniform system (original implementation date: 1 January 2016);
2. review and address historic contributions totalling circa £2.3M (original implementation date: 31 January 2016); and
3. reinstate preparation and presentation of an annual report to the Corporate Leadership Team (CLT) and Planning Committee detailing agreements concluded; payments received; and infrastructure delivered (original implementation date: 30 June 2016).

The three findings were reopened in May 2018 and are currently reported as overdue based on their originally agreed implementation dates. Management had not addressed these historic findings at the time of our review, as it was agreed with Internal Audit that they would wait for the IA outcomes to determine how best to address both the historic and any new findings raised.

Our current review established that the backlog of historic developer agreements and value of associated contributions has not been fully analysed and quantified to determine where contributions (plus indexation and interest adjustments) should be returned to developers as per Local Government (Scotland) Act 1973 requirements.

Consequently, the original findings that were reopened will be replaced by a new High rated finding (refer 3.1 below), reflecting that the original Medium rated findings were not addressed; that the Council has been exposed to the risks noted below for a further three years; and that the volume and value of legacy contributions is likely to have increased.

The new finding will continue to be reported as overdue based on the agreed implementation date of the original finding (31 January 2016).

A further two High rated findings have been raised following completion of our current review, reflecting the need to enhance controls to ensure that the end to end developer contribution process is clearly defined and documented, with training provided across all services and teams involved; and improve the ongoing financial management of contributions received.

Our detailed findings and recommendations are included at Section 3 below.

Management response

There has been considerable progress since the 2015 Internal Audit findings were raised, but it is accepted that a further phase of work is required.

The position at March 2014, as described at page 7 of the report, was that developer contributions held in investment accounts totalled £7.378m. The 31 March 2019 position has significantly improved, as funds held in investment accounts at March 2019 that were held in these same investment accounts as at March 2014 totalled £2.653m. Based on the date of investment, accepting that this may not be the same as the day the monies were received, £1.154m of the £2.653 March 2019 position was invested in 2013/14.

The report states that of the £7.378m mentioned above, as at 31 March 2014, transport infrastructure contributions aged in excess of five years totalled £5.090m. Of the monies held on investment as at 31 March 2019, the amount which was held on investment prior to 31 March 2009, which is directly comparable to the £5.090m, is now £0.790m, of which £0.491m relates to transport. There is potential for some of these schemes to have been completed, however, and the remaining contributions will be reviewed in the second phase of our work plan as detailed in our management response to finding 1, recommendations 1.1 and 1.2 below.

These actions will be embedded within a robust end to end process to address the points raised in finding 2 below, along with other work to address the IA recommendations.

3. Detailed findings

1. Backlog of legacy developer contributions

High

Position as at October 2015

A Medium rated finding was raised in the audit of Planning Controls and the Local Development Plan completed in October 2015 reflecting the need to review legacy developer contributions.

The report highlighted that as at March 2014, developer contributions held in investment accounts totalled £7,377,870. Of this balance, funds aged in excess of 5 years relating to transport infrastructure developments totalled £5,090,108.

Finance confirmed that £3,499,850 of the £5M had been identified as 'other infrastructure' developments that was ring-fenced for specific ongoing projects, and were engaging with Transport Planning to establish the position in relation to the balance of £1,590,258. An additional balance of £706,410 that had not been transferred to investment accounts, was also being investigated, leaving a total historic balance of £2,296,668 to be reviewed and addressed.

Outcome of the Council wide self attestation exercise completed in February 2018

As part of the self-attestation exercise performed across the Council in February 2018, management confirmed that the actions agreed to address legacy contributions had not been implemented, and the finding was reopened in May 2018.

Outcomes of current review completed August 2018

Review of the current process established to manage developer contributions confirmed that there remains a backlog of legacy developer contributions where:

- timeframes specified in legal agreements have expired;
- the conditions of the legal agreement have not been met.
- the specified purpose is no longer relevant; and
- the Council has delivered linked infrastructure from the Capital Investment Programme and would be entitled to drawdown corresponding contributions.

This backlog has not been fully analysed to determine where contributions (plus indexation and interest adjustments) should be returned to developers, and the volume of agreements and value of associated contributions has not yet been quantified.

Consequently, the original finding that was reopened will be replaced by this new High rated, reflecting that the original Medium rated finding was not addressed; that the Council has been exposed to the risks noted below for a further three years; and that the volume and value of legacy contributions is likely to have increased.

The new finding will continue to be reported as overdue based on the agreed implementation date of the original finding (31 January 2016).

Risks

- potentially significant adverse reputational consequences for the Council.

1.1 Recommendation – review of developer contributions held in the Finance database

A full review of all developer contributions held in the Finance database should be performed and all entries reconciled to amounts held on deposit and/or the general ledger. All contributions held on

deposit, but marked as “expired” or “due to expire” should be considered as part of the risk-based review detailed at recommendation 2 below;

Agreed management action - review of developer contributions held in the Finance database

A full review of all developer contributions held in the Finance database will be performed, and all entries reconciled to amounts held on deposit and/or in the general ledger.

Owner: Stephen Moir, Executive Director of Resources

Contributors: Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; Rebecca Andrew, Principal Accountant; Michael Thain, Head of Place Development; David Leslie, Chief Planning Officer; John Inman, Service Manager;

Agreed Implementation Date: 30 September 2020

1.2 Recommendation – retrospective review of historic developer contribution legal agreements

1. a risk based review of historic developer contribution legal agreements should be performed to determine whether:
 - the terms of the agreement have been fulfilled and the associated developer funds used on relevant infrastructure developments;
 - the terms of the agreement have or have not been fulfilled, and no developer contributions were received; and
 - the terms of the agreement have not been fulfilled and the Council is currently holding funds that should be returned to the developer.
2. where agreements have not been fulfilled, and no contributions were received, the developers should be contacted to confirm that the agreement is void and no longer applicable;
3. where agreements have not been fulfilled and funds are held by the Council, the developer should be contacted to arrange reimbursement of funds (including interest); and
4. a check should be performed prior to reimbursement to confirm that the value to be refunded has been accurately calculated.

Agreed Management Action – retrospective review of historic developer contribution legal agreements

Planning has worked with Finance to identify the status of legacy contributions identified in 2015. Planning accepts that the status of the remaining £2.3 million backlog needs to be identified, and any associated actions identified and recorded.

Whilst an agreed implementation date of 30 September 2020 is noted below, priority will be given to completing these actions as quickly as possible.

1. the audit recommendations detailed above will be implemented. Finance and planning will work together to determine the risk based sample to be included in the review.
 - for the sample selected, Planning will determine whether or not the terms of the agreement have been fulfilled
 - where agreements have been fulfilled, Finance will determine whether developer contributions have been received and applied.
 - where agreements have not been fulfilled and the Council is holding developer funds, the management action specified at 2.3 below will be applied.

2. an internal record will be maintained of agreements that have not been fulfilled to prevent services from drawing down contributions to support any development work. Developers will not be advised that agreements are void and no longer applicable, as (under legislation) only developers can seek to discharge the agreement; and
3. and 4 where agreements have not been fulfilled and funds are held by the Council, the developer will be contacted (where they can be traced) to ascertain whether they would accept reimbursement of funds. Where this is the case, a value should be agreed between the Council and the developer that reflects interest and indexation (where applicable) and reimbursed.

Owner: Paul Lawrence, Executive Director of Place

Contributors: Michael Thain, Head of Place Development; David Leslie, Chief Planning Officer; John Inman, Service Manager; Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; Rebecca Andrew, Principal Accountant; Nick Smith, Head of Legal and Risk; Kevin McKee, Senior Legal Manager; Graham Nelson, Senior Solicitor.

Agreed Implementation Date: 30 September 2020

2. End to end developer contribution processes, procedures, and training

High

Review of the end to end process applied to determine the infrastructure requirements associated with planning applications; the associated costs; contributions required from developers; and ensure that funds are received within agreed timeframes established that:

- the end to end process has not been documented. Consequently, inconsistent processes based on individual preferences are applied by planning officers covering the East and West of the city;
- no detailed guidance is available to support planning offers with the assessment of infrastructure requirements (via consultation and review of the Action Programme (AP)) associated with proposed planning developments, and determination of costs;
- only one case officer is assigned to each planning application, and the current position in relation to the progress with the planning application and developer contributions is not consistently recorded on the Uniform system;
- there is no standard pro forma or guidance detailing the nature and granularity of the details required from other services to support preparation of the developer contribution proposal and finalisation of the legal agreement;
- developer contribution proposals for submission to the Development Management Sub-Committee (DMSC), and legal agreements are inconsistent in terms of structure and content;
- no ongoing quality assurance is performed by planning managers throughout the process. Whilst developer contribution proposals are reviewed prior to submission to the DMSC, a standard review process is not applied;
- estimated costs and associated contributions are not shared with developers prior to sending them the draft legal agreement;
- for developments where low value contributions are required, a legal agreement is not always established. IA was informed that a cheque is received from the developers and banked;
- the majority of developer contribution legal agreements are outsourced to external legal firms for preparation, with the associated costs incurred by the developers. No check is performed by the internal legal team to ensure that sufficient information has been provided to support preparation of the draft agreement, and there is also a significant difference between the internal and

external legal rates applied to calculate the recharge to developers, to ensure that they are not financially disadvantaged;

- Finance is not notified when contributions are finally agreed with developers. Instead, they are notified by Planning (although not always consistently) when the first contribution instalment is received;
- key person dependencies have been identified in Finance and Planning in relation to recording and monitoring contributions received;
- induction and ongoing training has not been developed and implemented for all planning officers and service areas involved in determining; agreeing; and managing developer contributions; and
- There is no established process to communicate with the Action Programme (AP) Board to ensure that they are made aware of all developer contributions received; funding gaps between expected and actual developer contributions enabling the AP financial model to be updated; and details of additional infrastructure requirements identified by planning case officers or consultees.

Risks

- lack of knowledge and understanding of the end to end developer contribution process;
- delays in finalising and agreeing developer contributions, resulting in delays in planning approval;
- Key person dependencies;
- insufficient information to support developer contribution proposals for submission to the Development Management Sub-Committee (DMSC) that could potentially result in inappropriate decisions;
- insufficient information provided to external legal firms to support preparation of legal agreements resulting in significant volumes of queries; delays; and increased costs;
- significant changes to draft legal agreements due to lack of ongoing developer consultation resulting in delays and increased costs;
- developer contributions received are not identified and appropriately allocated;
- unutilised contributions are not reallocated (where permitted) or returned to developers;
- infrastructure requirements included in the Action Programme (AP) supporting the Local Development Plan (LDP) and the supporting costing model are not updated to reflect any changes arising from individual planning applications; and
- potential breach of historic developer contribution legal agreements.

2.1 Recommendation – process documentation, guidance, and standardised documentation

- 1 the end to end process applied to determine the infrastructure requirements associated with planning applications; the associated costs; contributions required from developers (including interest and indexation to be applied to contributions received); finalise and agree legal agreements; ensure that funds are received within agreed timeframes; management of contributions received: and spending/delivery of infrastructure will be clearly documented and agreed by all service areas involved in the process;
- 2 the process will be immediately updated to reflect any significant legislative changes, and re communicated. Otherwise the process will be reviewed and refreshed annually;
- 3 an internal threshold should be established detailing the value and complexity threshold for infrastructure developments above which a legal agreement is required, and the contribution threshold for the Management Sub-Committee (DMSC) considering applications should be reviewed in parallel.

- 4 detailed guidance will be developed and implemented for planning officers detailing the end to end process and timeframes required from a planning perspective. These will include (but should not be restricted to) the need to document whether a legal agreement is required; the requirement to engage with developers throughout the process; confirmation of how funds will be received and identified (for example invoices issued with funds received via cheque payment or direct credit); and the need to ensure that the AP Board and Finance are made aware of all agreed developer contributions; and
- 5 standard documents will be designed and implemented to ensure that all information required is obtained from service areas; that consistent assessments are used in planning reports; consistently formatted reports are provided to Committee; and that all necessary information is provided to external solicitors.

Agreed Management Action – process documentation, guidance, and standardised documentation

Planning is working with Finance and Legal Service on a number of key areas of the end to end process. Significant progress has been made including; the pilot and use of a transport officer proforma, to identify and detail infrastructure requirements; and the introduction of standard legal agreements. Planning continues to work with legal services to finalise developer contribution templates for planning officers and this will inform a standardised approach to key consultee infrastructure requests.

All Internal Audit recommendations will be implemented as detailed above (with the exception of 3), with Planning leading the process.

As an alternative to IA recommendation 3, the rationale detailing why either no agreement; or a section 69 or 75 agreement has been developed and applied, will be documented.

Owner: Paul Lawrence, Executive Director of Place

Contributors: Michael Thain, Head of Place Development; David Leslie, Chief Planning Officer; John Inman, Service Manager; Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; Rebecca Andrew, Principal Accountant; Nick Smith, Head of Legal and Risk; Kevin McKee, Senior Legal Manager; Graham Nelson, Senior Solicitor.

Agreed Implementation Date: 31 March 2020

2.2 Recommendation – quality assurance

- 1 Planning will develop and implement a developer contribution quality assurance process, designed to ensure that the end to end process has been consistently applied and that there is sufficient detail recorded prior to consideration of applications through the delegated or Development Management Sub-Committee (DMSC) process and prior to legal services instruction;
- 2 quality assurance checks will also ensure that planning officers have accurately recorded the current position in relation to both planning application and developer contribution on Uniform or any other appropriate system;
- 3 A standard checklist will be designed and used to record the outcomes of quality assurance reviews; and
- 4 All quality assurance findings must be addressed prior to submission of proposals to the DMSC and legal.

Agreed Management Action – quality assurance

Planning has made significant progress on specific parts of the contributions process, and will deliver other improvements to this process to address the recommendations. The capture and tracking of the financial contributions will be performed using the Council's PPSL accounts receivable system.

The Planning team's existing quality assurance process will be extended to include the end to end developer contributions process to be designed and applied as per recommendation 1.

The quality assurance process will cover the areas recommended by Internal Audit at 1 to 4 above, including use of the Council's PPSL accounts receivable system to record and monitor financial contributions received

ISO accreditors will also be requested to include the Developer contributions quality assurance process within the scope of their review which is scheduled for completion by October 2020.

Owner: Paul Lawrence, Executive Director of Place

Contributors: Michael Thain, Head of Place Development; David Leslie, Chief Planning Officer; John Inman, Service Manager; Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; Rebecca Andrew, Principal Accountant; Nick Smith, Head of Legal and Risk; Kevin McKee, Senior Legal Manager; Graham Nelson, Senior Solicitor.

Agreed Implementation Date: 31 December 2020

2.3 Recommendation – legal agreements and rates

- 1 Legal should design and implement a review of all information provided by planning prior to submission to external legal firms to ensure that it is complete, and can be easily understood to minimise the volume of subsequent queries and associated costs; and
- 2 Legal should revisit their internal charging structure in relation to developer contributions to ensure that these are aligned with the rates charged by external legal firms.

Agreed Management Action – legal agreements and rates

Legal Services has developed a contributions template for use by planning officers prior to the determination of an application where contributions are required. Planning will continue to work with Legal Services to refine and finalise the template.

- 1 Legal Services will develop a template which will contain a drop down list of all information required to be filled in by Planning officers for every developer agreement, prior to a minded to grant status being issued by Planning.
- 2 To ensure consistency, Legal Services will apply a revised hourly charge rate based on a blended rate of the charges made by existing external firms preparing developer contribution legal agreements. This rate will be reviewed annually to ensure consistency with rates being charged under any new framework

Owner: Stephen Moir, Executive Director of Resources

Contributors: Nick Smith, Head of Legal and Risk; Kevin McKee, Senior Legal Manager; Graham Nelson, Senior Solicitor.

Agreed Implementation Date:

- 30 June 2019 for implementation of template application of revised hourly charge; and
- 30 June 2020 for completion of first annual review of hourly charges

2.4 Recommendation – Induction and refresher training

- 1 Induction and ongoing refresher training covering all aspects of the developer contribution process should be designed and implemented (at least annually) for all new and existing employees; and
- 2 Training content should be reviewed on a regular basis (at least annually) to ensure that any legislative and process changes are reflected.

Agreed Management Action – induction and refresher training

Planning has a continuous programme of officer training which has included legal agreements, developer contributions and the Action Programme. Planning have scheduled refresher training on contributions and invited officers from other services.

- 1 All Internal Audit recommendations related to induction and refresher training will be implemented as detailed above. The training will include those employees from Planning; Finance and Legal Services who are involved in the developer contributions process; and
- 2 Training content will be reviewed at least annually, and will be updated (when required) to reflect any legislative and process changes.

Owner: Paul Lawrence, Executive Director of Place

Contributors: Michael Thain, Head of Place Development; David Leslie, Chief Planning Officer; John Inman, Service Manager; Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; Rebecca Andrew, Principal Accountant; Nick Smith, Head of Legal and Risk; Kevin McKee, Senior Legal Manager; Graham Nelson, Senior Solicitor.

Agreed Implementation Date: 30 September 2019

3. Ongoing management of developer contributions

High

Our review of the ongoing management of developer contributions received established that:

- whilst Planning advises Finance of expected contributions, accurate matching of funds received to the relevant development is not always possible as payments received do not include references to the supporting planning applications;
- Finance does not have sufficient information to allocate developer contributions against the specific general ledger cost centres associated with each development. Instead, funds are allocated to a general cost centre within the Service Area;
- where only part of a contribution can be accurately matched to a specific development, the balance is posted to an 'unallocated money' account. Finance circulate details of the funds included in this account weekly to relevant teams across the Council to identify owners and allocate the funds;
- developer contributions are not included as a standing agenda item in meetings held between Finance and other service areas
- the only record of the value of individual developer contributions is a spreadsheet (the contribution spreadsheet) maintained by one Finance team member;
- the contribution spreadsheet is not reconciled to the value of developer contributions recorded in the relevant general ledger accounts, or funds used for investment by Treasury. The contributions spreadsheet is also not shared with the service areas; and
- no evidence is currently required to support drawdown of s75 funds by either services or Treasury.

Risk

- funds received are not identified as developer contributions; are not allocated to the correct general ledger codes related to the specific development; and / or remain in the 'unallocated money account' for a significant period;
- inability to accurately trace and identify developer contributions in the event of a request from a developer to modify or discharge the agreement;
- the developer contribution spreadsheet (the only record of contributions received) may be incomplete and / or inaccurate; and
- inappropriate / unauthorised use of developer contributions that is not aligned with the purpose specified in legal agreements.

3.1 Recommendation – identification and allocation of developer contributions

- 1 Finance will be provided with details of all finalised developer contribution legal agreements; planning application references; and relevant general ledger codes to enable identification and accurate allocation of developer contributions received;
- 2 developers will be asked to quote either the legal agreement or planning application reference on all contribution payments;
- 3 Finance will engage with planning to obtain guidance re treatment of funds received in instances where the expected contributions detailed in the legal agreement do not match the actual value received;

Agreed Management Action – identification and allocation of developer contributions

Planning has commenced use of the PPSL accounts receivable system. The use of the system by planning officers ensures clear invoicing for individual contributions, streamlined payments and robust cross departmental referencing and addresses the recommendations above. This system is shared with Finance and ensures contribution payments are easily tracked back to specific infrastructure requirements.

Management accepts the control weaknesses identified considers that the following actions represent a more robust response:

1. planning will issue invoices for all developer contributions falling due using the PPSL accounts receivable system (or its successor), ensuring income is coded to the correct general ledger codes;
2. developers will be asked to quote the invoice numbers on all contribution payments.
3. recommendation 3 is accepted - Finance will engage with planning to obtain guidance re treatment of funds received in instances where the expected contributions detailed in the legal agreement do not match the actual value received

Owner: Paul Lawrence, Executive Director of Place

Contributors: Michael Thain, Head of Place Development; David Leslie, Chief Planning Officer; John Inman, Service Manager; Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; Rebecca Andrew, Principal Accountant; Nick Smith, Head of Legal and Risk; Kevin McKee, Senior Legal Manager; Graham Nelson, Senior Solicitor.

Agreed Implementation Date: 31 March 2020

3.2 Recommendation – ongoing maintenance of developer contributions

- 1 the contribution spreadsheet maintained by Finance will continue to be maintained as the main record of developer contributions received;

- 2 the spreadsheet will be regularly updated to reflect developer contributions received; allocation of funds to service areas; and transfer to, and receipt of funds from, Treasury;
- 3 allocation of interest and indexation applied (where relevant) to developer contributions will also be recorded on the spreadsheet;
- 4 the content of the spreadsheet will be regularly reconciled to the relevant general ledger cost centres where developer contribution funds have been allocated, to confirm completeness and accuracy;
- 5 reconciliations performed will be subject to ongoing management review to confirm that the position has been accurately reconciled, and all exceptions addressed;
- 6 the spreadsheet will be shared with Planning on an ongoing basis (at least monthly) and will be discussed at meetings held between Finance and Planning to confirm completeness and accuracy of content and address any unresolved issues;
- 7 appropriate controls will be developed and applied to the spreadsheet (for example, password protection and cell protection) to ensure that the content cannot be inadvertently amended;
- 8 previous versions of the spreadsheet will be maintained to ensure that any historic queries raised in relation to developer contributions can be addressed;
- 9 guidance on management of developer contributions will be developed and applied to reduce the potential risk of key person dependency; and
- 10 Finance will request evidence to support drawdown of developer contributions from service areas. Copies of the evidence provided will be retained with the contribution spreadsheet to provide a clear audit trail of utilisation of developer contributions.

Agreed Management Action – ongoing maintenance of developer contributions

All recommended actions will be implemented as set out above.

Owner: Stephen Moir, Executive Director of Resources

Contributors: Hugh Dunn, Head of Finance; Alison Henry, Corporate Finance Senior Manager; Rebecca Andrew, Principal Accountant

Agreed Implementation Date: 30 September 2020

Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Critical impact on operational performance; or • Critical monetary or financial statement impact; or • Critical breach in laws and regulations that could result in material fines or consequences; or • Critical impact on the reputation or brand of the organisation which could threaten its future viability.
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Significant impact on operational performance; or • Significant monetary or financial statement impact; or • Significant breach in laws and regulations resulting in significant fines and consequences; or • Significant impact on the reputation or brand of the organisation.
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Moderate impact on operational performance; or • Moderate monetary or financial statement impact; or • Moderate breach in laws and regulations resulting in fines and consequences; or • Moderate impact on the reputation or brand of the organisation.
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Minor impact on the organisation's operational performance ; or • Minor monetary or financial statement impact; or • Minor breach in laws and regulations with limited consequences; or • Minor impact on the reputation of the organisation.
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>