

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00am, Tuesday 3 February 2015**

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

Email: [veronica.macmillan@edinburgh.gov.uk](mailto:veronica.macmillan@edinburgh.gov.uk) / [laura.millar2@edinburgh.gov.uk](mailto:laura.millar2@edinburgh.gov.uk)

Tel: 0131 529 4283 / 0131 529 4319



## **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 Edinburgh Voluntary Organisations Council (EVOC) in respect of Item 7.5 (Feedback from Budget Engagement 2015/16) – e-mail request (circulated)

## **4. Minutes**

---

- 4.1 Minutes of the Meeting of 15 January 2015 (circulated)

## **5. Business Bulletin**

---

- 5.1 None.

## **6. Forward Planning**

---

- 6.1 Finance and Resources Committee Key Decisions Forward Plan (circulated)
- 6.2 Finance and Resources Committee Rolling Actions Log (circulated)

## **7. Executive decisions**

---

- 7.1 Health and Social Care: Draft Integration Scheme Consultation – report by the Director of Health and Social Care (circulated)
- 7.2 Health and Social Care Financial Plan 2014/2015 – report by the Director of Health and Social Care (circulated)
- 7.3 Revenue Budget 2015/18 – Further Update – report by the Director of Corporate Governance (circulated)
- 7.4 Council Revenue Budget Framework 2015/18 – Impact Assessments – report by the Director of Corporate Governance (circulated)
- 7.5 Budget Proposals: Overview of Feedback and Engagement – report by the Director of Corporate Governance (circulated)

- 7.6 Housing Revenue Account Budget 2015/16 – report by the Acting Director of Services for Communities (circulated)
- 7.7 Preventing Homelessness – Domestic Abuse Work Stream Update - referral report from the Health, Social Care and Housing Committee (circulated)
- 7.8 Living Wage and Workforce Related Matters in Procurement – report by the Director of Corporate Governance (circulated)
- 7.9 Commercial and Procurement Services - Contract Register Update – report by the Director of Corporate Governance (circulated)
- 7.10 Adoption of a Collaborative Framework Agreement for the Supply and Distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs – report by the Acting Director of Services for Communities (circulated)
- 7.11 Extension of Service Level Agreement for Changeworks Resources for Life – report by the Acting Director of Services for Communities (circulated)
- 7.12 Hyvots Regeneration – Disposal of Site Known as Phase 7 – report by the Acting Director of Services for Communities (circulated)
- 7.13 Extension of Contract for the Service and Maintenance of Building Energy Management Systems – report by the Acting Director of Services for Communities (circulated)
- 7.14 National Housing Trust Phase 3 - Procurement – report by the Acting Director of Services for Communities (circulated)
- 7.15 Extension of Service Level Agreement with Edinburgh Tenants' Federation – report by the Acting Director of Services for Communities (circulated)
- 7.16 External Funding Initiative – Spend to Save Programme – report by the Director of Economic Development (circulated)
- 7.17 Review of Community Access to Schools (CATS) – Revised Scale of Charges – report by the Director of Children and Families (circulated)
- 7.18 Property Conservation – Programme Momentum Progress Report – report by the Director of Corporate Governance (circulated)

## **8. Routine decisions**

---

- 8.1 Summary Report on Property Transactions concluded under Delegated Authority – report by the Acting Director of Services for Communities (circulated)
- 8.2 Sale of Cammo Home Farm Steading, 37 Cammo Road, Edinburgh – report by the Acting Director of Services for Communities (circulated)
- 8.3 Proposed Lease Extension at Mary King's Close, City Chambers – report by the Acting Director of Services for Communities (circulated)
- 8.4 Princes Street Gardens – National Galleries of Scotland Proposed Extension – report by the Acting Director of Services for Communities (circulated)
- 8.5 Proposed Ground Lease to Braidwood Bike Group – report by the Acting Director of Services for Communities (circulated)
- 8.6 Proposed New Lease - Unit 22, Muirhouse Shopping Centre – report by the Acting Director of Services for Communities (circulated)
- 8.7 Proposed New Lease - Unit 12, Muirhouse Shopping Centre – report by the Acting Director of Services for Communities (circulated)

## **9. Motions**

---

- 9.1 If any

### **Carol Campbell**

Head of Legal, Risk and Compliance

## **Committee Members**

---

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Corbett, Dixon, Edie, Godzik, Griffiths, Ricky Henderson, Jackson, McVey, Ross, Walker, Whyte, Burns, (ex officio) and Cardownie (ex officio)

## **Information about the Finance and Resources Committee**

---

The Finance and Resources Committee consists of 15 Councillors and is appointed by the City of Edinburgh Council. The Finance and Resources Committee usually meets every four weeks.

The Finance and Resources Committee usually meets in the Dean of Guild Court Room in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

## Further information

---

If you have any questions about the agenda or meeting arrangements, please contact Veronica MacMillan or Laura Millar, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4283 / 0131 529 4319 or e-mail [veronica.macmillan@edinburgh.gov.uk](mailto:veronica.macmillan@edinburgh.gov.uk) / [laura.millar2@edinburgh.gov.uk](mailto:laura.millar2@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](http://www.edinburgh.gov.uk/meetings)

For the remaining items of business likely to be considered in private, see separate agenda.

## Webcasting of Council meetings

---

Please note: this meeting may be filmed for live and subsequent broadcast via the Council's internet site – at the start of the meeting the Convener will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act 1998. Data collected during this webcast will be retained in accordance with the Council's published policy including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Generally the public seating areas will not be filmed. However, by entering the Council Chamber and using the public seating area, you are consenting to being filmed and to the use and storage of those images and sound recordings and any information pertaining to you contained in them for web casting and training purposes and for the purpose of keeping historical records and making those records available to the public.

Any information presented by you to the Council at a meeting, in a deputation or otherwise, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Council in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services on 0131 529 4105 or [committee.services@edinburgh.gov.uk](mailto:committee.services@edinburgh.gov.uk) .

# THE YEAR OF RECKONING



**Edinburgh Third Sector Interface response to  
City of Edinburgh Council budget consultation December 2014**



EDINBURGH  
.....  
Social  
Enterprise  
Network  
.....

**If we are serious  
about putting  
people first and  
honestly working to  
improve the health  
and wellbeing of  
Edinburgh's citizens,  
risks will have to be**

**taken. The definition of insanity is doing what you've  
always done and expecting different results.**

**So, what have you always done when faced with financial  
problems and increasing demand – you've cut the  
budgets, particularly payments to the Third Sector.**

**And, invariably  
the end result has  
been increased  
crisis intervention,  
increased inequality  
and increased  
poverty.**

**What lies ahead is not a technical problem where we can dip into handbags for, "one we prepared earlier", nor is it purely a Council fiscal problem. This is new territory for everyone. We are literally moving into new territory where the involvement of citizens becomes crucial and new partnerships need to be forged.**

**There is no such thing as a safe way forward > your real challenge is trusting Third Sector partners and working with us to honestly build a better Edinburgh.**

**We have stark options:**

**1. Work in true partnership – the full fat, no red line collaborative approach, deciding what goes into making the cake**

The Third sector offers that valuable first option! We are inherently flexible, respond to individual and local needs. It is our experience that people are not "hard to reach" – they are banging our doors down!

**2. Tweak the edges – deciding the colour of the icing on the cake approach**

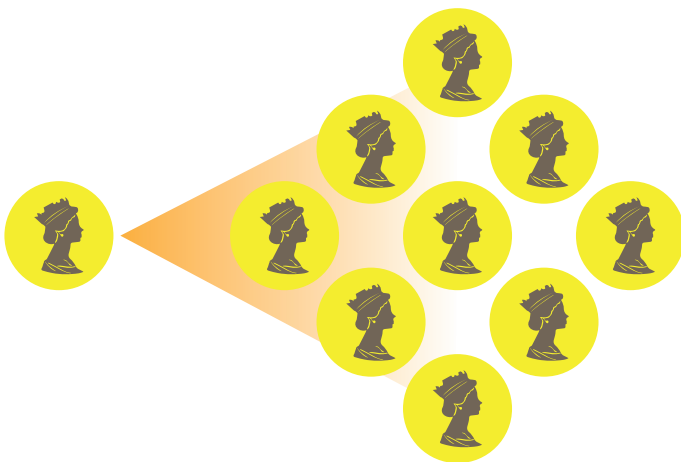
There are strong positive examples of the contribution the Third Sector makes to the economy as well as the health and wellbeing of the City and what can be achieved when the Council and the Third Sector in Edinburgh collaborate.

**3. Keep doing what you have always done and expect different results – the deck chairs on the Titanic approach**



# THIRD SECTOR FACTS:

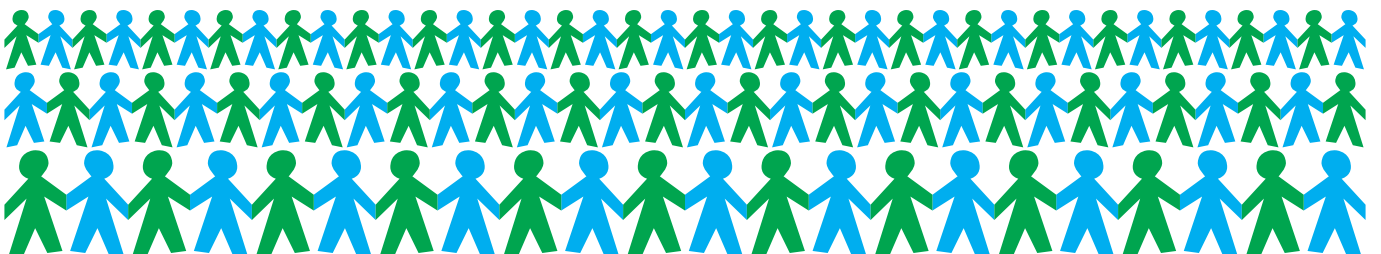
We contribute  
**£2 BILLION** to the  
Edinburgh economy

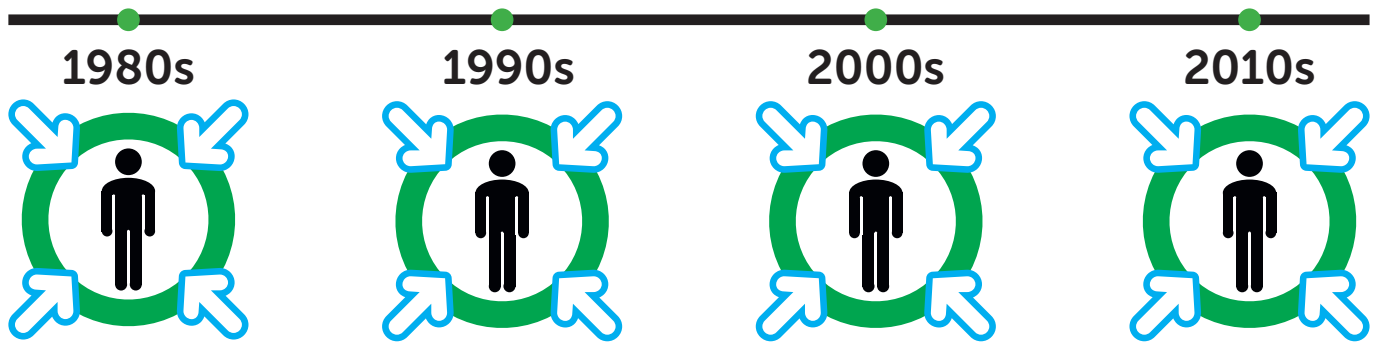


For every **£1** of  
public grant invested  
in the Third Sector  
we provide services  
to the value of **£9**

We employ circa **15,000** people

2760 organisations each benefit from an average 98  
volunteering hours per week – that is 270,480 volunteer  
hours donated by citizens to citizens





**We have provided person centred, flexible, responsive services for decades**

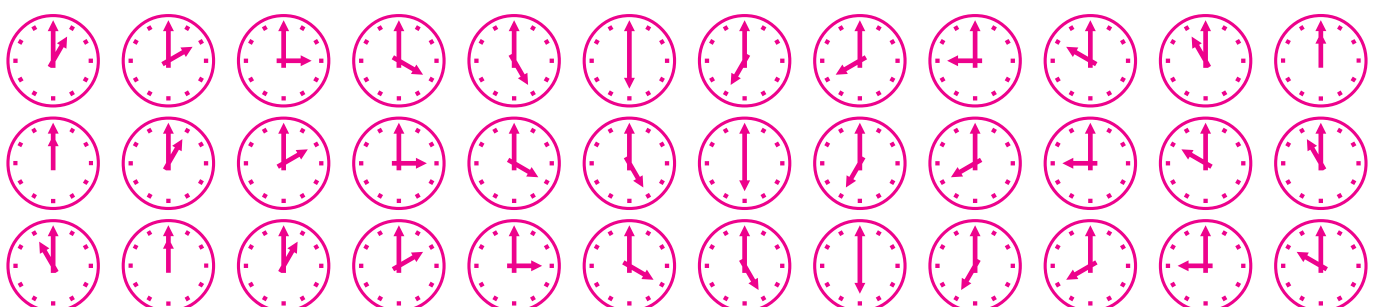
**We work WITH people rather than doing to**

**Our mission and purpose is to build capacity, increase resilience and we do this through preventative and early intervention**



**The start-up rate for social enterprises in Edinburgh is double the national average in Scotland**

**We have contributed hours and hours of our time expertise, knowledge and skills to working collaboratively with the Council to develop services, policies and strategies**



## **CASE STUDY 1:**

### **Care and Repair**

Social Return Included



For the individual: increased confidence and control over own life, reduced falls and accidents, increased sense of security, reduced demand on family, reduced demand for care services in the home and reduced social isolation. For the statutory sector: reduced costs as a result of accidents and falls and the provision of extra care this incurs, reduced delay in hospital discharge and the need to rehouse in sheltered or very sheltered accommodation is reduced.

## **CASE STUDY 2:**

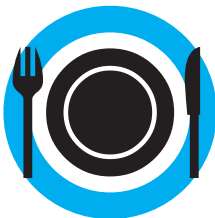
### **Homeless Services**



Third Sector organisations worked hard to create a collaborative approach to the provision of services to some of the most vulnerable people in Edinburgh. This collaboration has been recognised locally and nationally as transformational change and was knowingly entered into on the understanding that there would be a 15% cut in the contract.

## **CASE STUDY 3:**

### **Prevention**



The supper club provides space for people with dementia and their carers to spend an evening together as a couple with the care needs for the person with dementia being looked after by paid staff and volunteers. The evidence shows this is a valuable respite service which retains the primary relationship and dignity of the couple and increases the resilience of the caring relationship.

## **CASE STUDY 4:**

### **Affordable Warmth**



Volunteers visit older people in their own homes across Edinburgh to reduce and/or manage their energy use. The link from fuel poverty and energy advice to health improvement is well established, this work is therefore directly impacting on the ability of vulnerable older people to sustain their health and preventing worse health outcomes. In addition the volunteers are able to link people to other activities in their community. Taking part in social activity and feeling warm and safe in your own home are key factors in addressing health inequalities.

# The alternative is a fiscal approach and the disproportionate impact on people of Edinburgh who are living an unequal life

## **CASE STUDY 1:** Homeless Services



It is now proposed that a further 8% cut is imposed. This will seriously jeopardise services to the most vulnerable in our city, increase homelessness and increase the length of time people spend in B & B accommodation which is an expensive option (socially and financially). There is robust and accepted evidence that each person presenting as homeless costs the statutory sector between £18,000 and £22,000.

## **CASE STUDY 2:** Arts Project



Currently working in an area of deprivation, open 55 hours per week over 6 days, including 4 evenings. A reduction in funding will mean a direct cut in staff, opening hours and numbers of people engaging with the service. This would be detrimental to the area, including the perceived safety after dark, as the venue's lighting contributes to the street lighting for the routes around the building. The 'no go' feeling for the area, after dark, has increased already since the library, situated beside the venue, cut its opening hours last year and the project does not want to exacerbate this situation.

## **CASE STUDY 3:** Women's Service



A women's service which has a track record of providing "best value for money" would have to reduce services jeopardising the holistic approach of their support to women. The Council and Scottish Government have made a commitment to reducing women's disadvantage in the workplace and this project directly contributes to these shared aims. A reduction in funding would further disadvantage women who are furthest from the job market.

# We have the power through legislation and relationship framework in Edinburgh to truly be brave together

## You must:

- Trust the Third Sector to be part of the solution
- Believe that there is a Better Outcome which can be achieved
- Assess the unintended consequences and accumulative impact of fiscally driven actions
- Take risks, provide the leadership which walks your talk
- Learn from everything and share that learning widely
- Push hard on those who say "we can't"
- See people – not labels or pound signs
- Believe in the impact of investing in early intervention and prevention

## We will:

- Work with you to find solutions
- Bring our expertise, knowledge, skills and resources to the table
- Continue to stimulate the economy by leveraging additional resources

**Edinburgh TSI,**  
**c/o EVOC**  
14 Ashley Place  
Edinburgh, EH6 5PX

**T:** 0131 555 9100  
**F:** 0131 555 9101  
**E:** [info@evoc.org.uk](mailto:info@evoc.org.uk)  
**W:** [www.evoc.org.uk](http://www.evoc.org.uk)

Designed by  
Tommy Perman  
Artlink  
[www.artlinkedinburgh.co.uk](http://www.artlinkedinburgh.co.uk)

# Item 4.1 - Minutes

## Finance and Resources Committee

10.00am, Thursday, 15 January 2015

### Present

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Corbett, Edie, Godzik, Griffiths, Ricky Henderson, Key (substituting for Councillor Dixon), McVey, Mowat (substituting for Councillor Jackson), Ross, Walker and Whyte.

### 1. Deputation: UNISON and Unite - BOLD business cases: delivering a lean and agile Council

---

The Committee agreed to hear a deputation from John Stevenson from UNISON and Peter Lawson from Unite.

#### John Stevenson – UNISON

The main points raised by Mr Stevenson were:

- Concerns over the proposed reduction in team leaders/middle management having an adverse effect on frontline staff. It was feared support, professional development and legal guidance would suffer as a result of reduced numbers.
- The neighbourhood strategy was high risk, lessons must be taken from other local authorities and the past before any changes are implemented.
- Congratulations were offered over sustained the no-compulsory redundancy policy.
- Outsourcing was discouraged with support to keep the public services public.
- The decrease in the numbers of managers could create further pressure on frontline staff and the voluntary sector.

#### Peter Lawson (Unite)

The main points raised by Mr Lawson were:

- Insistence on high quality, positive consultation with Trade Unions, through the right channels with adequate time.
- Praise for the Coalition stance against outsourcing and advise that this message is cascaded down to all staff.
- Highlighting the commitment to the Council and Trade Unions working together constructively.

The Convener thanked the Deputation for their presentation and invited them to remain for the Committee's consideration of the report by the Director of Corporate Governance.

(Reference – e-mail dated 13 January 2015, submitted.)

## **2. BOLD business cases: delivering a lean and agile Council**

---

An update was provided on the Better Outcomes Leaner Delivery (BOLD) portfolio which was focused on developing a number of transformational savings plans across five strategic themes to allow improved focus on Council outcomes and to support the implementation of a new Council delivery model.

Detailed within the report were business case proposals for channel shift, business and customer services, localities and partnership along with setting out proposals for revised programme governance to ensure a clear strategic direction and benefits realisation.

### **Motion**

- 1) To acknowledge the recommendations 1.1 through to 1.10 in the report, and to replace the whole with the Coalition Motion.
- 2) To note that on 27 November 2014, Committee agreed that the business cases for the BOLD transformation projects would be reported to the Finance and Resources Committee on 15 January 2015.
- 3) To further note that the “Organise to deliver: next steps” report was approved at Full Council on 11 December 2014, with an additional recommendation, added, by Coalition Motion, to establish a ‘Checkpoint Group’ of key stakeholders. This would oversee the process of implementation of the proposed revised delivery model and would have met once (prior to the Christmas recess). The Group was scheduled to meet again on Thursday 22 January 2015, and would meet on a monthly basis thereafter.
- 4) To note the first four (of six) BOLD business cases, the rationale and requirement for transformation, and the budget gap and savings required (from 2016/17 onwards, in connection to the six BOLD business cases), as outlined in paragraph 3.3 of the report.
- 5) To explicitly note that the overall transformation programme would be undertaken against the framework of:
  - Coalition Pledge 26 to establish a policy of no compulsory redundancies.
  - A presumption against outsourcing of Council services.
  - A presumption in favour of the protection of front-line services.
  - The intention to achieve savings of ten per cent across Third Sector grants through a process of consultation and continuing dialogue.
- 6) To approve, against this explicit framework, the BOLD programme overview – ‘the case for change’ outlined in appendix two of the report. To also agree the strategic direction – and broad principles – behind the four business cases for ‘channel shift’, ‘business and customer services’, ‘localities’ and ‘partnership’, with related resource and implementation plans, as outlined in appendices three to six of the report.

- 7) To note that the remaining two business cases for 'workforce strategy and controls' and 'property' would be brought to Finance and Resources Committee on 3 February 2015 and Spring 2015 respectively.
- 8) To note that implementation of the business cases would require a significant commitment of officer time and therefore instructed the Director of Corporate Governance to progress permanent recruitment to those Head of Service posts which would be critical to the successful delivery of the programme.
- 9) To note that appropriate consultation with both Trades Unions and employees would take place in relation to all of these proposals.
- 10) To further agree that the delivery of each of the six BOLD business cases would now be the subject of further detailed discussion and oversight, at specific meetings of the Finance and Resources Committee and the 'Checkpoint Group', prior to inclusion in the 2016/17 Budget process. Consideration could be given to establishing specific short-life oversight arrangements for monitoring delivery of each of the business cases.
- 11) To note, specifically on the 'localities' business case, that significant work was required to ensure careful alignment, and clear accountabilities, between the existing 12 Neighbourhood Partnerships and the 4 proposed 'Localities'. Robust oversight of the development of the most efficient local delivery model would be required.
- 12) To further note that the Coalition remained committed to publication of an overall draft Budget (for 2016/17) by the end of September 2015, which would be further publically consulted upon between October and December 2015, all prior to any final decisions on the 2016/17 Budget being taken at the scheduled Special Council Meeting in February 2016.
- 13) To further approve, and agree to replace the existing BOLD governance arrangements with, the revised programme governance arrangements set out in paragraphs 3.28 to 3.31 and appendix 7 of the report.
- 14) To instruct the Director of Corporate Governance to provide:
  - progress reports on a bi-monthly basis to the Finance and Resources Committee (the first such progress report to be received by the Committee on 19 March 2015), which would focus on the implementation of each business case, the realisation of savings, and progress on the Council's efforts to maximise additional income through new sources of potential revenue.
  - broader update reports on a quarterly basis to the Corporate Policy and Strategy Committee, which would focus on the wider strategic delivery of the overall BOLD programme.

- moved by Councillor Rankin, seconded by Councillor Cook.

### **Amendment**

- 1) To note the budget gap and savings required, outlined in paragraph 3.3 of the report.



- 2) To note the rationale and requirement for transformation.
- 3) To agree the BOLD programme overview – ‘the case for change’ outlined in appendix 2 of the report.
- 4) To agree the principles outlined in each of the business cases for channel shift, business and customer services, localities and partnership together with related resource and implementation plans, set out in appendices 4 to 7 of the report.
- 5) To note that the business cases for workforce strategy and controls and property would be brought to the Finance and Resources Committee on 3 February 2015 and Spring 2015 respectively.
- 6) To note that consultation with both Trades Unions and employees would take place in relation to these proposals, as appropriate.
- 7) To agree the revised programme governance arrangements set out in paragraphs 3.28 to 3.31 and appendix 7 of the report.
- 8) To update the checkpoint group regularly on implementation of the programme.
- 9) To instruct the Director of Corporate Governance to provide bi-monthly progress reports on implementation of each business case and realisation of savings to the Finance and Resources Committee and quarterly reports on progress to the Corporate Policy and Strategy Committee.
- 10) The funding requirement of the report would be considered as part of the Council’s budget setting process on 12 February 2015.

- moved by Councillor Whyte, seconded by Councillor Mowat.

### **Voting**

For the motion - 10

For the amendment - 3

### **Decision**

To approve the motion by Councillor Rankin.

(References – Finance and Resources Committee, 27 November 2014 (item 7); report by the Director of Corporate Governance, submitted.)

## **3. Minutes**

---

### **Decision**

To approve the minute of the Finance and Resources Committee of 27 November 2014 as a correct record.

## **4. Business Bulletin**

---

The Finance and Resources Committee Business Bulletin for 15 January 2015 was presented.

### **Decision**

To note the Business Bulletin.

(Reference – Finance and Resources Committee Business Bulletin, submitted.)

## 5. Key Decisions Forward Plan

---

The Finance and Resources Committee Key Decisions Forward Plan 15 January 2015 to 3 February 2015 was presented.

### Decision

To note the Key Decisions Forward Plan for 15 January 2015 to 3 February 2015

(References – Finance and Resources Committee Key Decisions Forward Plan for 15 January 2015 to 3 February 2015, submitted.)

## 6. Rolling Actions Log

---

The Finance and Resources Committee Rolling Actions Log for 29 August 2013 to 27 November 2015 was submitted.

### Decision

- 1) To note the Rolling Actions Log.
- 2) To investigate the absence of the report on acting up arrangements and secondments within the council and to secure a date when it would be brought to the Committee.
- 3) To circulate the briefing on Zero Contract Hours previously received by the Convener to members of the Finance and Resources Committee.

(Reference – Rolling Actions Log, 29 August 2013 to 27 November 2015, submitted.)

## 7. Adult Social Care Budget Pressures, 2014/15: Update

---

An update was provided on the projected overspend in the adult social care budget of £5.3 million, previously reported to the Finance and Resources Committee on 27 November 2014. Proposed management actions and options to reduce the overspend currently totalled £2 million, and included a proposal to cease growth in care at home packages to the end of the year, which would save £200,000.

### Decision

- 1) To note the update provided on the projected Health and Social Care budget overspend of £5.3 million, and the management actions being taken to reduce the overspend to £3.5 million by the end of the year.
- 2) To agree the request from NHS Lothian not to proceed with the management action to achieve savings of £200,000 by ceasing all further growth in care at home until 1 April 2015.
- 3) To note that Health and Social Care was not in a position to find additional savings to meet the remaining 2014/15 budget pressures of £3.5 million without significantly reducing service levels over the remainder of the financial year.
- 4) To note that work had commenced jointly between Finance and Health and Social Care to review the original calculations for the impact of demography on

the budgets for older people's services within the Council's Long Term Financial Plan.

- 5) To note that further work was also being undertaken with NHS Lothian on the joint financial planning required to support Health and Social Care Integration, including changing the balance of care, and that this would be reported to Finance and Resources Committee as the work was progressed by the two Finance Directors/ Heads of Service.
- 6) To refer the report to the Health, Social Care and Housing Committee for interest.
- 7) To agree that the Director of Health and Social Care would bring a report to the Finance and Resources Committee on 3 February 2015 on the risks of any further overspend in the Adult Health and Social Care Budget.

### **Declarations of Interest**

Councillors Edie and Ricky Henderson declared financial interests as Chair of the Care Inspectorate and as a non-Executive Director of NHS Lothian, respectively.

(References – Finance and Resources Committee, 27 November 2014 (item 6); report by the Director of Health and Social Care, submitted.)

## **8. Health and Social Care Integration: Update**

---

An update was provided on the progress of the integration programme since the last report was brought to the Finance and Resources Committee on 27 November 2014. The report outlined the current position on final regulations, guidance for financial assurance, draft integration scheme preparation and planning for the draft integration scheme consultation.

### **Decision**

- 1) To note the financial guidance contained in the Integrated Resources Advisory Group's Professional Guidance, Advice and Recommendations for Shadow Arrangements.
- 2) To note that further consideration of this guidance was required.
- 3) To note that draft guidance on the content of the Integration Scheme was released on 14 November 2014.
- 4) To note the delay in the approval process of the Draft Integration Scheme for consultation.
- 5) To note the revised consultation and approval timescale for the Integration Scheme.

### **Declarations of Interest**

Councillors Edie and Ricky Henderson declared financial interests as Chair of the Care Inspectorate and as a non-Executive Director of NHS Lothian, respectively.

(References – Finance and Resources Committee, 27 November 2014 (item 5); report by the Director of Health and Social Care, submitted.)

## 9. Governance and Major Projects: Progress Report

---

Committee was provided with an update on the major projects portfolio and the forthcoming assurance review schedule.

### Decision

- 1) To note the current synopsis of the dashboard reports for the major projects portfolio set out in appendix 1 of the report.
- 2) To note the current assurance review schedule for the last two quarters of 2014/15 as set out in appendix 2 of the report.
- 3) To note the Director of Corporate Governance would pursue progress with senior officers at BT regarding the Learning and Teaching Refresh (bandwidth upgrades).
- 4) To note an update would be provided to the Finance and Resources Committee on 3 February 2015 regarding progress on the Water of Leith, Flood Prevention Scheme Phase 2.
- 5) To include a reference to Phase 2 of the Niddrie Burn Restoration in future reports to the Finance and Resources Committee.

(References – Finance and Resources Committee, 30 October 2014 (item 9); report by the Director of Corporate Governance, submitted.)

## 10. Capital Monitoring 2014/15 – Nine - Month Position

---

Details were provided of the nine month position of the Council's projected borrowing, receipt of grants and capital income. Over the five year period of the capital programme, capital receipts were forecast to match the budget.

### Decision

- 1) To note the projected capital outturn positions on the General Fund and Housing Revenue Account (HRA) at month nine.
- 2) To note the prudential indicators at month nine.
- 3) To note that the Acting Director of Services for Communities was closely monitoring the capital receipts position.
- 4) To refer the report to the Governance, Risk and Best Value Committee, as part of its work programme.

(Reference – report by the Director of Corporate Governance, submitted.)

## 11. Revenue Monitoring 2014/15 – Nine Month Position

---

Committee considered a report on the projected nine-month revenue monitoring position for the Council, based on analysis of period seven and eight data. A balanced outturn position for all areas was predicted, aside from the Adult Social Care Budget within Health and Social Care, which was subject to on-going management of a number of service-specific and Council-wide risks and pressures.

## **Decision**

- 1) To note the projected overall overspend position at month nine.
- 2) To note the actions being taken to reduce the potential Health and Social Care budget overspend of £5.3 million outlined in item 7.1 of the agenda - Adult Health and Social Care Budget Pressures 2014/15: Update.
- 3) To note the on-going risks and challenges in maintaining a net balanced position for the other areas of the budget which would require active management and scrutiny for the remainder of the year.
- 4) To note the balanced position projected on the Housing Revenue Account (HRA).
- 5) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.
- 6) To note the allocation of dividend income of £3 million from Shawfair Land Ltd to the Strategic Acquisition Fund in accordance with Council's decision of February 2013.

(References – Finance and Resources Committee, 15 January 2015 (item 7); report by the Director of Corporate Governance, submitted.)

## **12. Corporate Governance - Revenue Budget Monitoring 2014/15 and Capital Investment Programme Month Eight Position**

---

An update was provided on the projected financial position of the Corporate Governance revenue budget after eight months of the financial year. Also included was an update on the risks to achievement of the projected outturn for the year 2014/15 and projections for the Corporate Governance Capital Investment Programme.

### **Decision**

- 1) To note the service is currently projecting a balanced revenue budget.
- 2) To note the risks to the Corporate Governance 2014/15 revenue budget projection.
- 3) To note the service was currently projecting slippage to 2015/16 of £0.1million on the Capital Investment programme for 2014/15.

(References – Finance and Resources Committee, 30 October 2014 (item 8); report by the Director of Corporate Governance, submitted.)

## **13. Council's Budget 2015/16 – Risks and Reserves**

---

The Committee were advised on the risks inherent in the revenue and capital budget framework and the range of measures and provisions established to mitigate these.

### **Decision**

- 1) To note the report.
- 2) To refer the report to Council for decision on 12 February 2015 as part of the budget setting process.

- 3) To authorise for ratification by Council the allocation of £7.5m from the Capital Fund to support additional capital investment priorities, on the basis that briefings would be offered on this to each political group.

(References – Finance and Resources Committee, 27 November 2014 (item 8); report by the Director of Corporate Governance, submitted.)

## **14. Capital Investment Programme 2015/16 to 2019/20**

---

Details were provided on the Capital Investment Programme and the roll forward programme which set out planned investment for the period 2015/16 to 2019/20.

### **Decision**

- 1) To note the report and refer to Council for decision on 12 February 2015, the 2015 – 2020 Capital Investment Programme.
- 2) To note the remaining net balance of £5.819 million of additional General Capital Grant available in 2015/16 and refer to Council for decision on 12 February 2015 regarding how this would be allocated in the context of the up-to-date analysis of service priorities and pressures set out within the report.
- 3) To note the £9 million of funding per annum that was currently unallocated from 2019/20 onwards and refer to Council for decision on 12 February 2015 regarding how this would be allocated in the context of infrastructure needs / priorities and existing Council commitments.

(References – Finance and Resources Committee, 27 November 2014 (item 8); report by the Director of Corporate Governance, submitted.)

## **15. Revenue Budget 2015/18 – update**

---

Committee were provided with details of the impact on the revenue budget framework of a number of recent Scotland and UK-wide announcements.

### **Decision**

To note the report and to refer the contents, alongside a further update to be reported to the Finance and Resources Committee meeting on 3 February 2015, to Council as part of setting the 2015/16 revenue budget on 12 February 2015.

(References – Finance and Resources Committee, 27 November 2014 (item 8); report by the Director of Corporate Governance, submitted.)

## **16. Cost of Architects and Solicitors 2013/14**

---

Details were provided on the cost of architects and solicitors during 2013/14 that were requested by the Finance and Resources Committee at its meeting on 30 September 2014.

### **Decision**

To note expenditure on architects and solicitors in the financial year 2013/14.

(References – Finance and Resources Committee, 30 September 2014 (item 8); report by the Director of Corporate Governance, submitted.)

## **17. Customer Services Improvement Programme: Quarterly Update**

---

An update report was provided on the progress of the Customer Services Improvement Plan (CSIP) as agreed at the Council meeting of 31 January 2013.

### **Decision**

- 1) To note that 12,200 transactions had been carried out online since going live and 19,000 citizens have registered for myAccount.
- 2) To note that marketing using existing channels e.g. social media, telephony is underway with a strategic marketing plan being developed.
- 3) To note the business case for eHR phase 2 had been signed off by the board.
- 4) To note that automation of high volume Council Tax processes went live in December 2014 with Benefits processes planned for January 2015.
- 5) To note that Risk Based Verification for Housing Benefits change of circumstances went live in November 2014. This reduced the need to gather evidence for every change resulting in improved processing times.
- 6) To note that the Assisted Digital project, now renamed Get Online, was providing an increasing number of supported sessions to get people online across the City.
- 7) To note that Council Tax in year collections for 2014/15 was 0.2 per cent higher when compared to the same point last year giving a positive indicator against our target of 0.3 per cent for the year.
- 8) To note that the programme was now reaching a closing stage with projects either being completed or transferred and that a closure report would be provided to the committee in March 2015.

(References – Finance and Resources and Housing Committee, 30 September 2014 (item 11); report by the Director of Corporate Governance, submitted.)

## **18. Review of contract procedures relating to the Council ICT procurement process**

---

Committee were provided with an update report on the key activities undertaken through the ICT services procurement project to deliver an ICT solution that would best meet both the current and future needs of the Council.

### **Decision**

- 1) To note the progress through the ISDS (Invitation to Submit Detailed Solutions) stage of the procurement.
- 2) To note the timelines for the completion of the competitive dialogue process.
- 3) To note that updates would be provided to each subsequent Elected Member ICT and Digital Sounding Board.
- 4) To note that the next update report would be provided to Finance and Resources Committee in May 2015.

(References – Finance and Resources Committee, 19 September 2013 (item 5); report by the Director of Corporate Governance, submitted.)

## **19. Contracts Awarded Under Delegated Authority (Waiver Reports) and Procurement Activity**

---

Details were provided of contracts awarded under delegated authority through the Waiver of Standing Orders, as permitted in Section 9 of the Contract Standing Orders and on contracts awarded with a value of under the Committee approval threshold.

### **Decision**

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

(References – Finance and Resources Committee, 30 October 2014 (item 18); report by the Director of Corporate Governance, submitted.)

## **20. Extension of Peoples Network Services Contract**

---

Details were provided of a four month extension of the peoples network services contract that was approved on the grounds of urgency by the Acting Director of Services for Communities, in consultation with the Convener and Vice Convener of the Finance and Resources Committee to allow uninterrupted IT support service within libraries.

### **Decision**

To note the extension of “Peoples Network Services” Contract for a total value of £19,920, to Calyx Managed Services Limited for ongoing provision of support services until 31 March 2015.

(References – Finance and Resources Committee, 29 August 2013 (item 20); report by the Director of Corporate Governance, submitted.)

## **21. Transport Marshals - Request for Contract Extension**

---

Approval was sought to agree a contract extension to Dunedin Facilities Management Ltd for the provision of Transport Marshals until 31 May 2015, under Contract Standing Orders, which states that these may be waived under certain prescribed circumstances.

### **Decision**

- 1) To approve a contract extension to Dunedin Facilities Management Ltd for the provision of Transport Marshals until 31 May 2015, at a cost of £52,815.
- 2) To request a report detailing management information for contracts and the process by which they were controlled was brought to the Finance and Resources Committee in May 2015.

(Reference – report by the Acting Director of Services for Communities, submitted.)

## **22. Mediation Services - Request for Contract Extension**

---

Approval was sought to extend the existing Service Level Agreement (SLA), for the Edinburgh Community Mediation Service, provided by SACRO, until 31 March 2015,



under Contract Standing Orders which allows Council Standing Orders to be waived under certain circumstances.

### **Decision**

To approve the extension of the existing Service Level Agreement (SLA) for the Edinburgh Community Mediation Service provided by SACRO until 31 March 2015 at a cost of £123,750.

(Reference – report by the Acting Director of Services for Communities, submitted.)

## **23. St James Quarter Land Transactions**

---

Committee considered a report that sought approval to delegate authority to the Acting Director of Services for Communities in consultation with the Head of Legal, Risk and Compliance to agree terms and conditions for the sale and purchase of various pieces of land around the St James Centre to St James Edinburgh Limited (SJEL), and also to grant a long lease of an area of ground to SJEL.

### **Decision**

- 1) To delegate authority to the Acting Director of Services for Communities, in consultation with the Head of Legal, Risk and Compliance, to agree terms and conditions and complete legal agreements with St James Edinburgh Limited (SJEL), to:
  - sell the areas 1 to 7 as shown coloured blue on the attached Plan No.1 of the report;
  - acquire from SJEL the areas coloured green on the attached Plan No.2 of the report;
  - grant a long lease back to SJEL at a nominal rent of the area coloured green and hatched black on the attached Plan No.2 of the report.
- 2) To note that some areas of land to be sold, as shown coloured red on attached Plan No.1 of the report, were inalienable Common Good, the sale of which would be subject to the approval of the Court of Session.
- 3) To note that approval of the sale was conditional on full value being secured for the common good fund and the general property account.

(References – Planning Committee, 4 December 2014 (item 1); report by the Acting Director of Services for Communities, submitted).

## **24. Award of contract for consultancy services to carry out a feasibility study of George IV Bridge**

---

Approval was sought for the award of a contract for consultancy services to carry out a feasibility study for masonry repairs, waterproofing and drainage improvements to George IV Bridge.

### **Decision**

To approve the appointment of Capita Symonds Limited for £32,350.00 to carry

out a feasibility study into masonry repairs, waterproofing and drainage for George IV Bridge.

(Reference – report by the Acting Director of Service for Communities, submitted.)

## **25. Refurbishment Works at Castlebrae Business Centre Award of Contract – Update Report**

---

An update was provided on progress of the contract award to deliver the refurbishment works at Castlebrae Business Centre. At its meeting on 30 September 2014, the Finance and Resources Committee delegated authority to the Acting Director of Services for Communities, in consultation with the Convener and Vice-Convener of the Finance and Resources Committee to appoint the contractor which submitted the most economically advantageous bid to deliver the refurbishment works at Castlebrae Business Centre.

### **Decision**

To note the report and the award of the contract to deliver the Castlebrae Business Centre Project to GHI Contracts Limited.

### **Declaration of Interest**

Councillor Ross declared a non-financial interest as a Director of Cre8te.

(References – Finance and Resources Committee, 30 September 2014 (item 21); report by the Acting Director of Services for Communities, submitted.)

## **26. Extension of Existing Community and Accessible Transport Agreements from 1 April 2015 to 31 March 2016**

---

Approval was sought to extend a number of service level agreements with Third Sector community transport organisations to ensure that services to users were maintained while phase 2 of the Community and Accessible Transport Review was concluded and a framework for group travel was put in place.

### **Decision**

To authorise the extension of the service level agreements with: Lothian Community Transport Service, South Edinburgh Amenities Group, HcL, Pilton Equalities Group, Dove Transport and Lothian Shopmobility for a period of 12 months from 1 April 2015 to 31 March 2016.

(References – Corporate Policy and Strategy Committee, 4 November 2014 (item 12); report by the Acting Director of Services for Communities, submitted.)

## **27. Creative Exchange Leith**

---

Committee considered a report which sought approval to extend the capacity of the Creative Exchange by leasing a further two rooms which had become available.

### **Decision**

- 1) To note the business case.

- 2) To approve the proposed lease of a further two rooms within the Old Corn Exchange 29 Constitution Street, Leith.

(Reference – report by the Director of Economic Development, submitted.)

## **28. Rising Rolls in Primary and Secondary Schools – referral from the Education, Children and Families Committee**

---

The Education, Children and Families Committee on 9 December 2014 considered a report on Rising Rolls in Primary and Secondary Schools. The report was referred to the Finance and Resources Committee for information.

### **Decision**

To note the report.

(References – Education, Children and Families Committee, 9 December 2014 (item 10); report by the Director of Children and Families, submitted.)

## **29. Property Conservation – Programme Momentum Progress Report**

---

An update was provided on the progress of the property conservation programme momentum.

### **Decision**

- 1) To note the progress made to date on the programme.
- 2) To note the management information dashboard reports in Appendix 1 of the report.
- 3) To note the update to the Corporate Debt Policy approved by the Corporate Policy and Strategy Committee on 2 December in Appendix 2 of the report.
- 4) To approve the extension of the Deloitte contract to carry out additional case reviews emerging from the closure programme.
- 5) To note the progress update on the new service.

(References – Finance and Resources Committee, 27 November 2014 (item 34); report by the Director of Corporate Governance, submitted.)

## **30. Balcarres Street Depot: Proposed sale to Lindemann Healthcare Ltd**

---

Approval was sought for the sale of the vacant depot to Lindemann Healthcare Ltd which was declared surplus to operational requirements.

### **Decision**

- 1) To approve the sale of the former depot at Balcarres Street to Lindemann Healthcare Ltd on the terms and conditions outlined in the report and on such other terms to be agreed by the Acting Director of Services for Communities and Head of Legal, Risk and Compliance.

- 2) To ensure nothing in the disposal should preclude the provision of access through the site to a footbridge over the rail line delivered as part of the Royal Edinburgh Hospital Master-plan.

(Reference – report by the Acting Director of Services for Communities, submitted.)

### **31. Land at the Wisp: Proposed sale to Thistle Timber Ltd**

---

Approval was sought for the sale of a 0.64ha (1.6 acre) site at the Wisp to Thistle Timber Ltd.

#### **Decision**

To approve the sale of the site at the Wisp to Thistle Timber Ltd on the terms and conditions outlined in the report and on such other terms to be agreed by the Acting Director of Services for Communities and Head of Legal, Risk and Compliance.

(Reference – report by the Acting Director of Services for Communities, submitted.)

### **32. Surplus Council Property Assets – Arrangements for declaring properties surplus and update on the Council’s Capital Receipt Programme 2014-19 – referral from the Economy Committee**

---

The Economy Committee on 18 December 2014 considered a report on the procedures and approval mechanisms for declaring council property assets surplus to operational requirements, together with an update on the Council’s Capital Receipt Programme 2014-19. The report was referred to the Finance and Resources Committee for information.

#### **Decision**

- 1) To note the report.
- 2) To provide members of the Finance and Resources Committee with a briefing containing further information on the access strip at Whitehill.

(References – Economy Committee 18 December 2014 (item 6); report by the Acting Director of Services for Communities, submitted.)

### **33. Resolution to consider in private**

---

#### **Decision**

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraphs 6 and 12 of Schedule 7(A) of the Act.

### **34. Property Conservation - Irrecoverable Sums and Debt Recovery**

---

An update was provided on the irrecoverable sums approved under delegated authority and information on the current provision for impairment and settlements.

## **Decision**

- 1) To note the irrecoverable sums of less than £50,000 authorised using existing delegated authority in Appendix 1 of the report.
- 2) To note the irrecoverable sums in excess of £50,000 but less than £100,000 in Appendix 2 of the report.
- 3) To note the provision for impairments and settlements in Appendix 3 of the report.
- 4) To note the complexities involved in settling outstanding complaints and the intention to set up a dedicated team to deal with this.
- 5) To note the outline budget forecast for 2015/16 for the legacy and the new service, the risks associated with it in Appendix 4 of the report.

(References – Finance and Resources Committee, 30 September 2014 (item 23); report by the Director of Corporate Governance, submitted.)

## **35. Appointment of Contractor to Undertake Sheriff Officer Services**

---

Approval was sought for the appointment of Scott & Company to provide Sheriff Officer debt recovery services for a two year period, with the potential for a further two year extension. This would replace the existing Sheriff Officer arrangements with Scott & Company and Walker Love.

## **Decision**

- 1) To approve the appointment of Scott & Company to undertake Sheriff Officer debt recovery services for a two year period, with the potential for a two year extension.
- 2) To note appropriate transition activities were being scheduled to support the new service arrangements from 2015/16.

(References – Corporate Policy and Strategy Committee, 3 September 2013 (item 5); report by the Director of Corporate Governance, submitted.)

# Item 6.1 - Key decisions forward plan

## Finance and Resources Committee

[3 February – 19 March 2015]

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
1.	Property Conservation – Progress Report	19 March 2015		Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Jim McIntyre, <a href="mailto:jim.mcintyre@edinburgh.gov.uk">jim.mcintyre@edinburgh.gov.uk</a>	
2.	Budget engagement progress report	19 March 2015		Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Kirsty-Louise Campbell <a href="mailto:kirstylouise.campbell@edinburgh.gov.uk">kirstylouise.campbell@edinburgh.gov.uk</a>	
3.	Property Insurance Strategy Update	19 March 2015		Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Hugh Dunn, Head of	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
				Finance <a href="mailto:Hugh.dunn@edinburgh.gov.uk">Hugh.dunn@edinburgh.gov.uk</a>	
4.	Commercial Excellence update	19 March 2015		Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Hugh Dunn <a href="mailto:Hugh.dunn@edinburgh.gov.uk">Hugh.dunn@edinburgh.gov.uk</a>	
5.	Customer services improvement programme - closing report	19 March 2015		Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Danny Gallacher, <a href="mailto:danny.gallacher@edinburgh.gov.uk">danny.gallacher@edinburgh.gov.uk</a>	
6.	Health and Social Care Integration - update	19 March 2015		Director: Peter Gabbitas, Director of Health and Social Care  Lead Officer: Susanne Harrison, <a href="mailto:susanne.harrison@edinburgh.gov.uk">susanne.harrison@edinburgh.gov.uk</a>	
7.	PSL Procurement	19 March 2015		Director: John Bury, Acting Director of Services for Communities  Lead Officer: Cathy King <a href="mailto:cathy.king@edinburgh.gov.uk">cathy.king@edinburgh.gov.uk</a>	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
8.	Third Party Grants	19 March 2015		Director: John Bury, Acting Director of Services for Communities  Lead Officer: Cathy King <a href="mailto:cathy.king@edinburgh.gov.uk">cathy.king@edinburgh.gov.uk</a>	
9.	Land at Kinleith Mills, Currie: Proposed Disposal	19 March 2015		Director: John Bury, Acting Director of Services for Communities  Lead Officer: Peter Watton, <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	
10.	Proposed sublet and new lease to Gallery Support Group at Unit 2 The Clocktower, Flassches Yard, South Gyle Industrial Estate	19 March 2015		Director: John Bury, Acting Director of Services for Communities  Lead Officer: Peter Watton, <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	
11.	18 - 24 Potterrow: Proposed Disposal	19 March 2015		Director: John Bury, Acting Director of Services for Communities  Lead Officer: Peter Watton, <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	
12.	Porthaven Care Home, 14 Wellington Place : Proposed Disposal	19 March 2015		Director: John Bury, Acting Director of Services for Communities  Lead Officer: Peter Watton, <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	



# Item 6.2 Rolling Actions Log

## Finance and Resources Committee

29 August 2013 – 15 January 2015

1	29-08-13	<a href="#">People's Network Public Internet Access</a>	To request further exploration of opportunities to extend the accessibility of the service in venues in addition to libraries.	Director of Services for Communities	Not specified		
2	03-02-14	<a href="#">Minutes of the meeting of 16 January 2014</a>	To note that a report on incorporating tendering costs (item 5) would be provided to the next meeting of the Committee.	Director of Health and Social Care	20-03-14	Ongoing	
3	07-05-14	<a href="#">Strategic Workforce Planning</a>	To agree the planned approach to develop and implement a comprehensive strategic workforce plan for the Council by 31 December 2014.	Director of Corporate Governance	31-12-14		<b>Presentation brought to the F+R PDR Sub-Cttee on 8 August 2014. Workforce Plan to be brought to Council by 31 December 2014 – ongoing</b>
4	05-06-14	<a href="#">Property Conservation - Complaints</a>	1) To repeal the Committee decisions of 31 October 2013	Director of Corporate Governance	Ongoing		<b>Ongoing</b>

		<a href="#">Resolution</a>	and 3 February 2014.				
			2) To instruct the Chief Executive to report back to the Finance and Resources Committee by the end of September 2014, setting out how various complaints were categorised, and in relation to debt recovery, an aged debt analysis and breakdown by value, and by the end of December 2014, setting out what (if any) complaints remained unresolved.				<b>Monthly reports were brought to F+R Committee that contain this information - ongoing</b>
			3) To agree that monthly update reports would be brought to the F+R Committee.				<b>Ongoing</b>
5	05-06-14	<a href="#">Redhall House and Lawn - Options for Action</a>	To note that a further report detailing progress would be submitted to the Finance and Resources Committee by the end of 2014.	Acting Director of Services for Communities	31-12-14		<b>Report to F+R Committee 27 November 2014 and further updates would be provided to</b>

							the F+R Committee – ongoing.
6	30-07-14	<a href="#">Cost of Care at Home</a>	To request that progress reports were brought to the Finance and Resources Committee in December 2014 and March 2015.	Director of Health and Social Care	Ongoing		Ongoing
7	30-07-14	<a href="#">Waiver Report - Clothing Voucher Scheme</a>	To request a report was brought to the next meeting of the Finance and Resources Committee detailing the management process for dealing with contracts.	Director of Children and Families	28-08-14		
8	28-08-14	<a href="#">Finance and Resources Committee Rolling Actions Log</a>	To agree that a report detailing all ongoing contracts currently held by the Council, to be produced by 31 December 2014, be added to the Rolling Actions Log.	Director of Corporate Governance	31-12-14	03-02-15	<b>Report to be brought to F+R Committee on 3 February 2015</b>
9	28-08-14	<a href="#">P2P Project Update</a>	To request that consideration be given to introducing sanctions and incentives for correct/incorrect POs by Jan/Feb 2015.		Jan/Feb 2015		

10	28-08-14	<a href="#">Framework Contract for the Supply of External Works Services</a>	To request information on price comparison with similar frameworks from previous years.	Acting Director of Services for Communities	As soon as possible		<b>Report to be brought to F+R Committee on 3 February 2015</b>
11	30-09-14	<a href="#">2015/18 Revenue and Capital Budget Framework</a>	1) To instruct the Chief Executive to deliver this transformational change and as the first stage to bring a project plan to Finance and Resources in November 2014, to include a detailed timeline and thematic delivery map, for approval.	Chief Executive/ Director of Corporate Governance	27 November 2014		<b>Report approved by the F+R Committee 27 November 2014 – closed.</b>
			2) To instruct the Chief Executive to bring a business plan for each theme to Finance and Resources in December 2014, to include all financial due diligence including: risk register, people plan, savings analysis underpinned by robust management information.	Chief Executive/ Director of Corporate Governance	15-01-15		<b>Report was brought to the F+R Committee 15 January 2015. Further reports would be brought to the F+R Committee 19 March and 13 May 2015 – ongoing.</b>

			3) To agree that each quarterly assessment, of a three year budget framework, was both monitored and subsequently verified by the Finance and Resources Committee against delivery of each theme.	Chief Executive/ Director of Corporate Governance	Ongoing		<b>Report to be brought to F+R Committee of 3 February 2015 - ongoing</b>
12	30-09-14	<a href="#">Consultants Costs 2013/14</a>	To request that a report on the costs of solicitors and architects was brought to a future meeting of the Finance and Resources Committee.	Director of Corporate Governance	Future meeting of the F+R Committee		<b>Report was brought to the F+R Committee of 15 January 2015 – closed.</b>
13	30-09-14	<a href="#">Participatory Budgeting Update - referral report from the Communities and Neighbourhoods Committee</a>	To agree that the action plan by the participatory budgeting development group would be circulated to members of the Finance and Resources Committee when it was finalised.	Acting Director of Services for Communities	As soon as possible		<b>Ongoing</b>
14	30-09-14	<a href="#">Refurbishment Works at Castlebrae Business Centre - Delegated</a>	To note that an update report on the contract award would be provided to the Finance and Resources Committee on	Acting Director Of Services for Communities	27-11-14		<b>Report was brought to the F+R Committee on 15 January 2015 – closed.</b>

		<a href="#">Authority for Award of Contract</a>	27 November 2014.				
15	30-10-14	<a href="#">Health and Social Care Integration – Update</a>	To ensure that opposition members had sight of the Draft Integration Scheme in advance of the report being published that would be considered by Council on 11 December 2014.	Director of Health and Social Care	11-12-14		<b>Closed.</b>
16	30-10-14	<a href="#">Revenue Monitoring 2014-15 Half-Year Position</a>	1) To instruct the Director of Health and Social Care to identify proposed measures to bring expenditure back into line with approved levels and report these at period 8.	Director of Health and Social Care/Director of Corporate Governance			<b>Ongoing</b>
		<a href="#">Revenue Monitoring 2014-15 Half-Year Position</a>	2) In relation to all other debts owed to the Council to establish an Officer/Member Working Group with a remit to review the Corporate Debt Policy and report to the Finance and Resources Committee in January 2015, to allow any recommendations to be considered as part of		15-01-15		<b>Findings of the Working Group would be reported back to the F+R Committee in Spring 2015 – ongoing.</b>

			<p>budgetary process. Membership would comprise of the Convener and Vice Convener of the Committee, one member from each political group represented on the Committee and two officers nominated by the Head of Finance. Substitutes may be appointed from the same political group. The Vice-Convener would be the chair of the working group. Meetings would be clerked and minuted by Committee Services, who will also track the Working Group's actions/delivery. A schedule of meetings would be agreed at the first meeting.</p>				
17	27-11-14	<a href="#">Adult Social Care Budget Pressures.</a>	1) To instruct the Director of Health and Social Care to report on	Director of Health and Social Care	15-01-15		<b>Report brought to the F+R Committee of 15</b>

		<a href="#">2014/15</a>	progress at the January meeting, including additional savings to further reduce the projected budget overspend.				<b>January 2015, and a further report would be brought to the F+R Committee of 3 February 2015 – ongoing.</b>
			2) To instruct the Director of Health and Social Care to report to Finance and Resources Committee on the progress of talks with NHS Lothian on this matter.				<b>Ongoing</b>
18	27-11-14	<a href="#">Newbridge Public Transport Study – Appointment of Consultant</a>	To provide members of the Finance and Resources Committee with detailed information on the approach used to procure the organisation to undertake the Newbridge Public Transport Study.	Acting Director of Services for Communities	As soon as possible		
19	27-11-14	<a href="#">Appointment of Contractor for the Council's Festive Lighting Programme</a>	1) To note the report. 2) The Director of Corporate Governance to provide clarity to members on whether a decision had made to extensively use LED Lighting to minimise	Director of Corporate Governance	As soon as possible		



			the use of electricity.				
20	15-01-15	<a href="#">Rolling Actions Log Finance and Resources Committee</a>	1) To investigate the absence of the report on acting up arrangements and secondments within the council and to secure a date when it would be brought to the Committee.	Committee Services			<b>Acting up arrangements would be considered as part of the BOLD report on Workforce Management that would be brought to the F+R Committee on 19 March 2015.</b>
			2) To circulate the briefing on Zero Contract Hours previously received by the Convener to members of the Finance and Resources Committee.				<b>A briefing was circulated to members on 22 January 2015. The Convener and Vice Convener would decide if a report was required to come to a future meeting of the F+R Committee.</b>
21	15-01-15	<a href="#">Adult Social Care Budget Pressures 2014-15</a>	To agree that the Director of Health and Social Care would bring a report to the Finance and Resources	Director of Health and Social Care	03-02-15		<b>Report would be brought to the F+R Committee 3 February 2015</b>

			Committee on 3 February 2015 on the risks of any further overspend in the Adult Health and Social Care Budget.				
22	15-01-15	<a href="#">Governance of Major Projects</a>	1) The Director of Corporate Governance would pursue progress with senior officers at BT regarding the Learning and Teaching Refresh (bandwidth upgrades).	Director of Corporate Governance	As soon as possible		
			2) An update would be provided to the Finance and Resources Committee on 3 February 2015 regarding progress on the Water of Leith, Flood Prevention Scheme Phase 2. 3) To include a reference to Phase 2 of the Niddrie Burn Restoration in		03-02-15	19-03-15	<b>A briefing note would be circulated to members and a report would be brought to the F+R Committee on 19 March 2015 – ongoing.</b>

			future reports to the Finance and Resources Committee.				
23	15-01-15	<a href="#">Council's Budget 2015-16 - Risks and Reserves</a>	To agree that the Head of Finance would discuss the proposed allocation of £7.5 million from the Capital Fund to support additional capital investment priorities with each political group.	Director of Corporate Governance	As soon as possible		
24	15-01-15	<a href="#">Revenue Budget 2015-18 Update</a>	To request a briefing be provided to members by the Head of Finance providing Local Government Settlement figures from previous years.	Director of Corporate Governance	As soon as possible	21-01-15	<b>A briefing note requested was circulated to members on 22 January 2015 – closed.</b>
25	15-01-15	<a href="#">Contracts Awarded under Delegated Authority (Waiver Reports) and Procurement Activity</a>	To request further information on the waiver of £16,000 from Maria Webb.	Director of Corporate Governance	As soon as possible		

26	15-01-15	<a href="#">Transport Marshalls – Request for Contract Extension</a>	To request a report detailing management information for contracts and the process which they are controlled was brought to the Finance and Resources Committee in May 2015.	Acting Director of Services for Communities	13-05-15		<b>Report to be brought to the F+R Committee on 13 May 2015 – ongoing</b>
27	15-01-15	<a href="#">Surplus Council Property Assets - referral from Economy</a>	To request a briefing was circulated to members of the Finance and Resources Committee containing further information on the access strip at Whitehill.	Acting Director of Services for Communities	As soon as possible		

# Finance and Resources Committee

10am, Tuesday, 3 February, 2015

## Health and Social Care: Draft Integration Scheme Consultation

Item number	7.1
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report presents the Draft Integration Scheme to Finance and Resources Committee for its views as part of the formal consultation.

It outlines :

- The Draft Integration Scheme; and
- The Consultation Plan

### Links

---

Coalition pledges	P12 and P43
Council outcomes	CO10, CO11, CO12, CO13, Co14, Co15
Single Outcome Agreement	SO2

# Health and Social Care Integration - Update

## Recommendations

---

- 1.1 Note the Draft Integration Scheme.
- 1.2 Provide comments on the Draft Scheme.
- 1.3 Note the Consultation Plan.
- 1.4 Note the timeline for responses, the reasons for the short consultation period and the tight timescale for collation of responses and adjustments of the Scheme prior to submission to Scottish Government.

## Background

---

- 2.1 The report provides Finance and Resources Committee with an opportunity to be consulted on the Draft Integration Scheme. This follows a series of update reports during 2014 and early 2015.

## Main report

---

### Draft Integration Scheme

- 3.1 The Public Bodies (Joint Working) (Scotland) Act 2014 requires the City of Edinburgh Council and NHS Lothian to establish an Integration Authority for the Edinburgh local authority area. This is a separate legal body, made up of equal number of NHS Lothian and elected members, for the governance, resourcing and operational oversight of health and social care functions in the city.
- 3.2 The Integration Authority will be established in legislation by Scottish Government and the Integration Scheme is the legal mechanism to create the Integration Authority. The final Integration Scheme must be submitted to The Scottish Government by 31 March 2015.
- 3.3 The Government also requires NHS Lothian and the Council to consult on a draft version of their Integration Scheme and to take into consideration responses to the consultation in the version submitted to it.
- 3.4 The Draft Integration Scheme is attached in Appendix 1.
- 3.5 A summary of the Draft Integration Scheme is provided in Appendix 2, for ease of reference. This includes a consultation questionnaire/response form.

- 3.6 The Consultation Plan is provided in Appendix 3.
- 3.7 The timescale for the consultation is shorter than would be usual for something of this significance. It is recognised that this is not ideal. The main reasons for this are:
- The final set of Regulations for the Public Bodies Act was released in late November 2014;
  - A significant piece of draft guidance was released on 14 November 2014, which extended the expectations for the Integration Authority and Chief Officer considerably further than the legislation and the Regulations had required;
  - This required a special meeting of NHS Lothian and Council representatives with The Scottish Government in early December and significant late revisions to the details of the Draft Scheme.
  - The Integration Scheme must be submitted, by law, by 31 March 2015.
- 3.8 In light of these issues, it was agreed at City of Edinburgh Council meeting on 11 December that authority for approval of the Draft Integration Scheme would be delegated to Corporate Policy and Strategy Committee at its meeting on 20 January.
- 3.9 The delay means that the formal period for consultation will run for five weeks, from 20<sup>th</sup> January until 20<sup>th</sup> February. The Council and NHS Lothian understand the consequences of a much reduced consultation period for stakeholders and have been making significant efforts to engage with stakeholders in advance of the formal period to ensure everything possible is being done in readiness to facilitate responses. Responses can be made through the Council's Consultation Hub, via email or by post.
- 3.10 The post consultation period has been reduced significantly to allow a maximum time for consultation, however the timescale for collation of responses and adjustments to be made to the Integration Scheme in time for submission to the Government will be tight.
- 3.11 The Scottish Government must approve the Integration Scheme before establishing the Integration Authority in statute. If they do not approve the Scheme, NHS Lothian and the Council have one opportunity to revise the Scheme, consult again and resubmit to Scottish Government. Should a second Scheme be rejected, the Scottish Government are required by law to step in and create the Integration Authority for the Edinburgh area.
- 3.12 Finance and Resources Committee are invited to comment on the draft Integration Scheme.

## Measures of success

---

- 4.1 The Scottish Government has issued final National Outcomes for the delivery of integrated Health and Social Care as part of the final Regulations. These are as expected.
- 4.2 The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope. The Programme Sub Group on Performance and Quality is tasked with establishing local outcomes for measuring the success of the new Health and Social Care Partnership in relation to the national outcomes. A joint baseline has been developed and work is continuing on a joint framework for the future.
- 4.3 The Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance in Section 5.

## Financial impact

---

- 5.1 It is estimated that the Integration Joint Board will encompass a combined budget of around £500 million; c£200 million of Council funds and c£300million of NHS Lothian funds. The process for determining the exact figure is provided in the Draft Integration Scheme in Section 10.
- 5.2 The resources for the functions in scope will be delegated to the Integration Joint Board for governance, planning and resourcing purposes. The Strategic Plan will identify how the resources are to be spent to deliver on the national outcomes and how the balance of care will be shifted from institutional to community-based settings.

## Risk, policy, compliance and governance impact

---

- 6.1 A detailed risk log is maintained for the integration programme and reported through the status reporting process to the Shadow Health and Social Care Partnership and through the CPO Major Projects reporting procedure.
- 6.2 Enterprise level risks for integration are also identified on Corporate Management Team, Health and Social Care and NHS Lothian risk registers.
- 6.3 The approach to risk management for the Integration Authority and respective parties is set out in Section 15 of the Draft Integration Scheme.



## Equalities impact

---

- 7.1 The integration of health and social care services aims to overcome some of the current 'disconnects' within and between existing health and social care services for adults, to improve pathways of care, and to improve outcomes.
- 7.2 Furthermore, the intention is to improve access to the most appropriate health treatments and care. This is in line with the human right to health.
- 7.3 The Integration Scheme will be impact assessed in a joint process with NHS Lothian using the new Combined Impact Assessment procedure agreed between NHS Lothian and Health and Social Care Services. This will be used for all EqHR impact assessments, as required, across the joint service once the Integrated Authority is fully established.

## Sustainability impact

---

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh because:
- joint health and social care resources will be used more effectively to meet and manage the demand for health and care services
  - they will promote personal wellbeing of older people and other adults in needs of health and social care services; and
  - they will promote social inclusion of and care for a range of vulnerable individuals.

## Consultation and engagement

---

- 9.1 This report presents the Draft Integration Scheme for consultation. The Consultation Plan in Appendix 3 provides details on the process and stakeholders. Responses will be considered and adjustments made to the Integration Scheme as appropriate prior to submission to The Scottish Government.
- 9.2 Consultation and engagement form a key work stream in the programme and information on a Participation and Engagement Strategy is provided in section 11 of the Draft Integration Scheme.
- 9.3 A number of events have taken place and mechanisms are being established to ensure the Shadow Health and Social Care Partnership is engaging at all levels. This includes the recruitment of service users and carers as members of the Shadow Health and Social Care Partnership with the express purpose of bring their own perspective to the discussions.

## Background reading/external references

---

Health, Social Care and Housing Committee – 27 January 2015, Health and Social Care, Draft Integration Scheme Consultation

Corporate Policy and Strategy Committee - 20 January 2015, Health and Social Care Draft Integration Scheme for Consultation

Finance and Resources Committee – 15 January 2015, Health and Social Care Integration - Update

City of Edinburgh Council - 11 December 2014, Health and Social Care Integration Scheme: Draft for Consultation

Finance and Resources Committee – 28 November 2014, Health and Social Care Integration - Update

Finance and Resources Committee – 30 October 2014, Health and Social Care Integration - Update

Finance and Resources Committee – 30 September 2014, Health and Social Care Integration - Update

Finance and Resources Committee – 28 August 2014, Health and Social Care Integration - Update

Corporate Policy and Strategy Committee- 5 August 2014, Health and Social Care Integration – Options Analysis of Integration Models.

Corporate Policy and Strategy Committee- 5 August 2014, Response to Draft Regulations relating to the Public Bodies (Joint Working) (Scotland) Act 2014.

Finance and Resources Committee – 30 July 2014, Health and Social Care Integration Update

Finance and Resources Committee 5 June 2014, Health and Social Care Integration Update

Health, Social Care and Housing Committee – 13 May 2014, Public Bodies (Joint Working) (Scotland) Act 2014.

See reports above for earlier reporting.

### **Peter Gabbitas**

Director of Health and Social Care

Contact: Susanne Harrison, Integration Programme Manager

E-mail: [e-mail address](#) | Tel: 0131 469 3982

Finance and Resources Committee – 03 February 2015

## Links

---

<b>Coalition pledges</b>	Ensuring Edinburgh and its residents are well cared for.
<b>Council outcomes</b>	Health and Wellbeing are improved in Edinburgh and there is a high quality of care and protection for those who need it.
<b>Single Outcome Agreement</b>	Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	Appendix 1: Draft Integration Scheme Appendix 2: Summary of Draft Integration Scheme Appendix 3: Consultation Plan

**Integration Scheme  
(Body Corporate)**

**Edinburgh Integration Joint Board**

**18 December 2014**

**Version 2.7**

**DRAFT for Public Consultation**

## Contents

	<b>Preamble</b>	
	Aims and Vision	5
	<b>Integration Scheme</b>	
<b>Section</b>		
1	Definitions and Interpretation	6
2	The Model to be Implemented	8
3	Local Governance Arrangements <ul style="list-style-type: none"> <li>• Membership</li> <li>• Chairperson and Vice Chairperson</li> <li>• Audit and Risk Committee</li> <li>• Disqualification etc</li> </ul>	8
4	Delegation of Functions <ul style="list-style-type: none"> <li>• NHS Lothian Functions</li> <li>• City of Edinburgh Council Functions</li> </ul>	10
5	Local Operational Delivery Arrangements <ul style="list-style-type: none"> <li>• General</li> <li>• Potential Impact of Strategic Plan</li> <li>• Lothian Hospital Strategic Plan</li> <li>• Decisions Outside Strategic Plans</li> <li>• Potential Impact on NHSL or Council Strategic Matters</li> <li>• Community Planning</li> <li>• Professional Technical and Administrative support services</li> <li>• Performance arrangements which relate to Integration functions</li> <li>• Performance arrangements which relate to functions which are not integrated functions</li> </ul>	[11]
6	Strategic Plan	10
7	Clinical and Care Governance <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Establishment of IJB</li> <li>• Professionals informing the IJB Strategic Plan</li> <li>• Integration Delivery Principles Informing the Strategic Plan</li> <li>• External Scrutiny of Clinical and Care Functions</li> <li>• IJB Strategic Planning Group</li> <li>• Service User and Carer Feedback</li> <li>• Complaints Handling</li> </ul>	20

	<ul style="list-style-type: none"> <li>• Information Sharing</li> </ul>	
8	Chief Officer	29
9	Workforce	29
10	Finance <ul style="list-style-type: none"> <li>• Financial Governance</li> <li>• Payments to IJB               <ul style="list-style-type: none"> <li>○ Initial Payment</li> <li>○ Resource transfer</li> <li>○ Hosted Services</li> <li>○ Due Diligence</li> <li>○ Schedules for Initial payment</li> <li>○ Subsequent Payments</li> <li>○ Set-aside of resources</li> <li>○ Process to agree payments</li> </ul> </li> <li>• Financial Reporting</li> <li>• Process for Addressing Variance               <ul style="list-style-type: none"> <li>○ Treatment of variances</li> <li>○ Additional payments</li> <li>○ Under spends</li> <li>○ Treatment of variations against set-aside amounts</li> </ul> </li> <li>• Redetermination of Payments</li> <li>• Redetermination of Set-aside Amounts</li> <li>• Use of Capital Assets</li> <li>• Audit and Financial Statements               <ul style="list-style-type: none"> <li>○ Internal Audit</li> <li>○ Financial Statement and External Audit</li> </ul> </li> </ul>	30
11	Participation and Engagement <ul style="list-style-type: none"> <li>• Integration Scheme</li> <li>• Participation and Engagement Strategy</li> </ul>	42
12	Information- Sharing and Data Handling	44
13	Complaints	45
14	Claims Handling, Liability and Indemnity	46
15	Risk Management <ul style="list-style-type: none"> <li>• IJB</li> <li>• NHS Lothian and Council</li> <li>• Health and Safety</li> <li>• Changes</li> </ul>	47
16	Dispute resolution	48

	<ul style="list-style-type: none"> <li>• General</li> <li>• In relation to an IJB decision</li> <li>• In relation to breach of Scheme or Strategic Plan</li> <li>• Continuing Service</li> </ul>	

<b>Annex</b>		
Annex 1 Part 1:	Schedule 1 Functions Delegated by Health Board	50
Annex 1 Part 2:	Schedule 2 Part 2 Illustrative description of services associated with delegated functions	57
Annex 2 Part 1:	Schedule Part 1 Functions Delegated by the Local Authority	60
Annex 2 Part 2:	Part 2 Illustrative description of services associated with delegated functions	68
Annex 3	List of Consultees within Shadow Strategic Planning Group	69
Annex 4	Additional Consultees	70
Annex 5	Summary of main features 'Consulting Edinburgh Framework'	73

## **Preamble: Aims of the Scheme and Vision for the IJB**

The vision of the Parties for the IJB is to work together for a caring, healthier, safer Edinburgh.

The work of the IJB will be guided by the integration delivery principles as stated in the Act, and will contribute to the achievement of agreed health and wellbeing outcomes.

The Parties' ambition for the IJB is as follows:

- (a) In Edinburgh, the successful integration of health and social care will mean that people experience improved health and wellbeing; and that inequalities, including health inequalities, are reduced.
- (b) Services will always be planned with and around people and local communities, who will be active partners in the design, delivery and evaluation of these services.
- (c) The Parties will develop, train and support staff from all organisations to work together to respond appropriately to meet people's needs.
- (d) The Parties will deploy their shared resources in the most cost effective way to achieve better outcomes for people, and to allow public funds to go further to meet demand.
- (e) The IJB will work in partnership with each of the Parties, third sector organisations, independent sector providers and most importantly people and communities themselves, to deliver improved and fully-integrated health and social care services for the people of Edinburgh.

The provisions within this preamble are not intended to create legally binding obligations.



## **Integration Scheme**

**between**

**The City of Edinburgh Council**, constituted under the Local Government etc (Scotland) Act 1994 and having its principal office at Waverley Court, 4 East Market Street, Edinburgh EH8 8BG (“**CEC**”);

**and**

**Lothian Health Board**, established under section 2(1) of the National Health Service (Scotland) Act 1978 (operating as “NHS Lothian”) and having its principal offices at Waverley Gate, Waverley Gate, 2-4 Waterloo Place, Edinburgh EH1 3EG (“**NHS Lothian**”)

(together the “**Parties**”, and each a “**Party**”)

## **Background**

- A. The Parties are required to comply with either subsection (3) or (4) of section 2 of the Act, and have elected to comply with subsection (3) such that the Parties must jointly prepare an integration scheme (as defined in section 1(3) of the Act) for the Edinburgh Area.
  
- B. In preparing this Scheme, the Parties (a) have had regard to the integration planning principles set out in section 4(1) of the Act and the national health and wellbeing outcomes prescribed by the Public Bodies (Joint Working)(National Health and Wellbeing Outcomes)(Scotland) Regulations 2014, (b) have complied with the provisions of section 6(2) of the Act and (c) have followed the guidance issued by the Scottish Ministers regarding the governance arrangements that are considered by Scottish Ministers to provide the requisite degree of integration; and in finalising this Scheme, the Parties have taken account of any views expressed by virtue of the consultation processes undertaken under section 6(2) of the Act.

The Parties agree as follows:

### **1. Definitions and Interpretation**

- 1.1 The following definitions shall apply throughout this integration scheme and the preamble, except where the context otherwise requires:

“Act” means the Public Bodies (Joint Working) (Scotland) Act 2014;

“Edinburgh Area” means the local authority area served by CEC;

“IJB” means the Integration Joint Board for the City of Edinburgh Council area, to be established by Order under section 9 of the Act;

“IJB Budget” means the total funding available to the IJB in the relevant financial year as a consequence of:

- a) the payment for delegated functions from NHS Lothian under Section 1(3) (e) of the Act;
- b) the payment for delegated functions from CEC under Section 1(3) (e) of the Act; and
- c) the amount “set aside” by NHS Lothian for use by the IJB for functions carried out in a hospital and provided for the areas of two or more local authorities under Section 1(3)(d) of the Act;

“Integration Joint Boards Order” means the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014;

“Integration Scheme Regulations” means the Public Bodies (Joint Working) (Integration Scheme) (Scotland) Regulations 2014;

“Lothian IJBs” means the integration joint boards to which functions are delegated in pursuance of the integration schemes in respect of the local authority areas served by CEC, East Lothian Council, Midlothian Council and West Lothian Council respectively;

“Neighbouring IJBs” means the Lothian IJBs excluding the IJB;

“Operational Budget” means the amount of the payment made from the IJB to a Party in order to carry out delegated functions;

“Outcomes” means the health and wellbeing outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act;

“Relevant Date” means the date on which the IJB is established by order under section 9 of the Act;

“Scheme” means this integration scheme;

“Standing Orders” means the standing orders for the regulation of the procedure and business of the IJB prepared in accordance with the Integration Joint Boards Order;

“Strategic Plan” means the plan which an integration joint board is required to prepare, in accordance with section 29 of the Act, in relation to the functions delegated to that integration joint board in pursuance of an integration scheme in respect of the relevant local authority area; and, except in its application to a strategic plan prepared or under preparation by one of the Neighbouring IJBs, means the strategic plan which the IJB is required to prepare in respect of the Edinburgh Area;

- 1.2 Words and expressions defined in the Act shall bear the same respective meanings in the Scheme, unless otherwise defined in the Scheme.
- 1.3 References to Sections are to the sections of this Scheme.
- 1.4 References to Annexes are to the annexes to this Scheme and references to Parts are to parts of the relevant Annex.

## **2. The Model to be Implemented**

- 2.1 The integration model set out in section 1(4)(a) of the Act will apply in relation to the Edinburgh Area, namely the delegation of functions by each of the Parties to a body corporate (an “integration joint board”) that is to be established by Order under section 9 of the Act.
- 2.2 This Scheme comes into effect on the Relevant Date.

## **3. Local Governance Arrangements**

### **3.1 Membership**

3.1.1 The IJB shall have the following voting members:

- a. 5 councillors nominated by CEC
- b. 5 members nominated by NHS Lothian in compliance with articles 3(4) and 3(5) of the Integration Joint Boards Order.

3.1.2 The Parties may determine their own respective processes for deciding who to nominate as voting members of the IJB.

3.1.3 Non-voting members of the IJB will be appointed in accordance with regulation 3 of the Integration Joint Boards Order.

3.1.4 The term of office of members shall be as prescribed by regulation 7 of the Integration Joint Boards Order.

### **3.2 Chairperson and vice chairperson**

3.2.1 The IJB shall have a chairperson and a vice-chairperson who will both be voting members of the IJB.

3.2.2 The term of office for the chairperson and the vice-chairperson will be two years.

3.2.3 The right to appoint the chairperson and vice-chairperson respectively shall alternate between each of the Parties on a two-year cycle, on the basis that during any period when the power to appoint the chairperson is vested in one Party, the other Party shall have power to appoint the vice-chairperson.

3.2.4 NHS Lothian shall appoint the chairperson, and CEC the vice-chairperson for the initial two year period from the Relevant Date.

3.2.5 The chairperson shall not have a casting vote.

3.2.6 The standing orders of the IJB shall set out the dispute resolution mechanism to be used in the case of an equality of votes cast in relation to any decision put to a meeting of the IJB.

3.2.7 Each Party may change its appointment as chairperson (or, as the case may be, vice chairperson) at any time; and it is entirely at the discretion of the Party which is making the appointment to decide who it shall appoint.

### **3.3 Audit and Risk Committee**

The IJB will establish an Audit and Risk Committee. The remit, composition and proceedings of the Audit and Risk Committee shall be regulated by provisions contained in the standing orders prepared by the IJB in accordance with article 18 of the Integrated Joint Boards Order.

### **3.4 Disqualification, Resignation, Removal, Voting and other matters**

The provisions of articles 8 to 19 (but excluding article 14) of the Integration Joint Boards Order shall apply in relation to the IJB.

## **4. Delegation of Functions**

4.1 The functions that are to be delegated by NHS Lothian to the IJB (subject to the exceptions and restrictions specified or referred to in Parts 1A and 1B of Annex 1) are set out in Parts 1A and 1B of Annex 1. For indicative purposes only, the services currently provided by NHS Lothian in carrying out these functions are described in Part 2 of Annex 1.

4.2 The functions that are to be delegated by CEC to the IJB (subject to the restrictions and limitations specified or referred to in Part 1 of Annex 2) are set out in Part 1 of Annex 2. For indicative purposes only, the services which are currently provided by CEC in carrying out these functions are described in Part 2 of Annex 2.

## **5. Local Arrangements to Support Preparation of the Strategic Plan**

5.1.1 The Parties will provide the IJB with all information that it may require to prepare its Strategic Plan, including information that is pertinent specifically to localities.

5.1.2 When preparing its Strategic Plan, the IJB must:

- (a) ensure that the Strategic Plan is consistent with the need to operate within the IJB Budget; and
- (b) determine and allocate a budget amount to each function that is to be carried out by one or both of the Parties.

5.1.3 The Strategic Plan will set out:

- (a) the delegated function(s) that are to be carried out;
- (b) the outcomes to be delivered for those delegated functions;
- (c) the amount of and method of determining the payment to be made to one or both of the Parties, in respect of the carrying out of the delegated functions, in line with the allocated budget.

- 5.1.4 Both Parties have existing expenditure commitments relating to the delegated functions that cannot be avoided in the short to medium term. It is agreed that the IJB will take account of these existing commitments in preparing the Strategic Plan and in issuing directions. The Parties agree that existing commitments shall be managed so far as reasonably practicable in a manner that minimises any difficulties which they present in the context of implementing proposals for service re-design in relation to integration functions.
- 5.1.5 The IJB must have regard to the integration delivery principles when preparing its Strategic Plan. The IJB will consider all feedback from the professions, particularly with regard to the following integration delivery principles:
- (a) protects and improves the safety of service users
  - (b) improves the quality of the service
  - (c) makes the best use of the available facilities, people and other resources.

## **6. Local operational delivery arrangements**

- 6.1.1 The IJB must direct the Parties to carry out each of the functions delegated to the IJB. A direction in relation to a given function may be given to one or other of the Parties, or to both Parties. The primary responsibility for delivering capacity (that is to say, activity and case mix) in respect of the services associated with the carrying out of a given function shall lie with the IJB, and shall be reflected in the directions issued from time to time by the IJB. Subject to the provisions of the Act and the Scheme, the Parties are required to follow those directions.
- 6.1.2 The IJB shall oversee delivery of the services associated with the functions delegated to it by the Parties. The Integration Joint Board is the only forum where health and social care functions for the Edinburgh Area are governed by members of both NHS Lothian and CEC. Accordingly NHS Lothian and CEC agree that the primary focus for performance management in respect of delivery of the delegated functions will be at the Integration Joint Board.
- 6.1.3 NHS Lothian and CEC will provide performance information so that the IJB can develop a comprehensive performance management system.
- 6.1.4 The IJB performance management reports will be available to both NHS Lothian and CEC for their use in their respective performance management systems. However it is expected that the voting members of the IJB will take responsibility for performance

management at the IJB, and will provide an account of highlights and/or exceptional matters to meetings of NHS Lothian and CEC.

- 6.1.5 In the interests of efficient governance, the relevant committees of NHS Lothian and CEC will continue to discharge their existing remits for assurance and scrutiny of the carrying out of NHS Lothian and CEC functions, regarding matters such as internal control, quality and professional standards, and compliance with the law. The Integration Joint Board will not duplicate the role carried out by those committees other than in exceptional circumstances where the IJB considers that direct engagement by the IJB (or by a committee established by the IJB) is appropriate in order to secure the proper discharge by the IJB of its statutory responsibilities.
- 6.1.6 Each of the Parties shall use reasonable endeavours to procure that in the event that one of its committees identifies an issue which is of direct and material relevance to the Integration Joint Board, the chair of that committee will advise the Chair of the Integration Joint Board and the Chief Officer of that matter and will co-operate with the IJB (liaising as appropriate with the IJB Audit and Risk Committee) in supplying such further information and evidence in respect of that matter as the IJB may reasonably request.
- 6.1.7 The Parties shall ensure that their respective standing orders, schemes of delegation and other governance documents are amended (if and in so far as required) to reflect the IJB's powers and remit, and its place as a common decision-making body within the framework for delivery of health and social care within the Edinburgh Area.
- 6.1.8 The voting members of the Integration Joint Board are councillors of CEC and non-executive directors (or other board members) of NHS Lothian. In their capacity as councillors and non-executive directors, they will be engaged in the governance of their respective constituent bodies, and it is likely that they will be members of one or more committees of those constituent bodies.
- 6.1.9 Given the overall vision as outlined in the preamble to the Scheme, it is the intention that the interests of NHS Lothian, CEC, and the Integration Joint Board should be integrated. In all matters associated with the work of the Integration Joint Board, the voting members of the Integration Joint Board will be expected by the Parties to play a crucial role in:
- (a) communicating, and having due regard to, the interests of NHS Lothian or (as the case may be) CEC, but on the understanding that, in carrying out their

role as a member of the Integration Joint Board, their primary duties and responsibilities are those which attach to them in that capacity;

- (b) communicating, and having due regard to, the interests of the Integration Joint Board whilst discharging their role as a councillor or (as the case may be) as a non-executive director, but on the understanding that, in carrying out their role as a councillor or non-executive director, their primary duties and responsibilities are those which attach to them in that capacity.

6.1.10 Without prejudice to the role of the voting members of the Integration Joint Board (as specified above) in relation to oversight of operational delivery of services in accordance with directions issued to either or both of the Parties by the Integration Joint Board, the Integration Joint Board will, through the Chief Officer, have an appropriate role in the operational delivery of services by the Parties in the carrying out of integration functions. The Parties acknowledge that the Chief Officer's role in operational delivery will represent an important means by which closer integration of services, in accordance with the integration delivery principles specified in the Act, can be achieved. For the avoidance of doubt, the Chief Officer's role in operational delivery shall not displace

- (a) the responsibilities of each Party regarding compliance with directions issued by the Integration Joint Board; or
- (b) the principle that each Party's governance arrangements must allow that Party to manage risks relating to service delivery.

6.1.11 In addition to the specific commitments set out above and the obligations regarding provision of information attaching to the Parties under the Act, each of the Parties will use reasonable endeavours to provide the Integration Joint Board with any information which the Integration Joint Board may reasonably require from time to time to support its responsibilities regarding strategic planning, performance management, and public accountability.

## **6.2 Potential Impact on another IJB Strategic Plan**

6.2.1 The Parties will support the IJB in ensuring that the consultation process associated with the preparation of each Strategic Plan for the Edinburgh Area includes other integration authorities likely to be affected by the Strategic Plan. The integration



authorities that are most likely to be affected by the Strategic Plan for the Edinburgh Area are:

- (a) East Lothian integration joint board
- (b) Midlothian integration joint board
- (c) West Lothian integration joint board.

6.2.2 NHS Lothian will procure that reciprocal provisions to those set out in Sections 6.2 to 6.6 are contained in the integration schemes of the Neighbouring IJBs.

6.2.3 The Chief Officer will establish a system, which will be supported by the Parties, to ensure that the IJB can:

- (a) effectively engage in all of the planning processes and support the Neighbouring IJBs in discharging their role, including contributing to the work of the Strategic Planning Groups for the Neighbouring IJBs as required;
- (b) provide such information and analysis as Neighbouring IJBs reasonably require for the production of their Strategic Plans
- (c) inform Neighbouring IJBs as to how the services, facilities and resources associated with the functions delegated to the IJB by the Parties are being or are intended to be used with respect to carrying out of those functions in line with these planning processes;
- (d) in a situation where Strategic Plans in one area are likely to have an impact on the plans in another area, ensure that these matters are raised with other relevant integration joint boards and resolved in an appropriate manner.
- (e) in a situation where Strategic Plans in another area are likely to have an impact on the Edinburgh Area, ensure that these matters are raised and any associated risks are mitigated for the benefit of service users.

6.2.4 In addition, a template will be introduced for the IJB, with the support of each of the Parties, to help to ensure that all major strategic matters are considered in light of the potential impact on Neighbouring IJBs, and on services provided by the Parties which are not delivered in the course of carrying out functions delegated to the IJB.

### 6.3 Lothian Hospitals Strategic Plan

- 6.3.1 NHS Lothian will develop a plan (the “**Lothian Hospitals Strategic Plan**”) to avoid destabilisation of hospital provision and to support the Lothian IJBs to achieve their purpose. The Lothian Hospitals Strategic Plan will encompass both functions delegated to the Lothian IJBs and functions that are not so delegated.
- 6.3.2 The Lothian Hospitals Strategic Plan will be developed in partnership with the Lothian IJBs where integration functions are delivered by NHS Lothian in a hospital. It will reflect the relevant provisions of the Strategic Plans prepared by the respective Lothian IJBs, as well as NHS Lothian plans for non delegated functions. The first Lothian Hospitals Strategic Plan will be published by 1 December 2015
- 6.3.3 The purpose of the Lothian Hospitals Strategic Plan is to ensure that planning for hospital functions and use of hospital facilities is:
- (a) responsive to and supports each Strategic Plan prepared by the Lothian IJBs for delegated functions; and
  - (b) supports the requirement of NHS Lothian to deliver hospital services required by the IJB and other hospital services that are not the responsibility of the Lothian IJBs (e.g. tertiary, trauma, surgical, planned and children’s services).
- 6.3.4 The Lothian Hospitals Strategic Plan will be a plan developed jointly by NHS Lothian and the Lothian IJBs. The elements of the Lothian Hospitals Strategic Plan addressing non delegated functions can only be agreed by the NHS Lothian Board after the four Lothian IJBs have been consulted and their views and requirements appropriately considered. Elements of the Lothian Hospitals Strategic Plan which cover functions delegated to the respective Lothian IJBs will be signed off by relevant Lothian IJBs in consultation with NHS Lothian and all Lothian IJBs.
- 6.3.5 The Lothian Hospitals Strategic Plan will be updated at least every three years; the process to update the plan will be led by NHS Lothian.

## **6.4 Decisions outside of the Strategic Plans**

6.4.1 Section 36 of the Act requires integration joint boards to seek and have regard to the views of their strategic planning group when proposing to take a significant decision about the arrangements for carrying out integration functions other than by revising the Strategic Plan. In addition to fulfilling this specific legal duty the IJB will have regard to the likely impact of any such change upon Neighbouring IJBs and ensure that any such change is discussed with the relevant Neighbouring IJBs.

## **6.5 Potential Impact on NHS Lothian or CEC strategic matters**

6.5.1 NHS Lothian provides clinical services on both a national and regional basis, as well as carrying out functions for the four local authority areas served by NHS Lothian which have not been delegated to the Lothian IJBs.

6.5.2 CEC also delivers a range of other services in connection with the integration functions, including (without limitation) housing services.

6.5.3 To ensure that the potential impact of the Strategic Plans can be considered in relation to all NHS Lothian services, facilities and resources, NHS Lothian will establish systems to ensure (so far as reasonably practicable) that:

- (a) the managers associated with the relevant services can effectively engage in all of the planning processes;
- (b) it informs each of the Lothian IJBs as to how NHS Lothian's services, facilities and resources are being or are being intended to be used as a result of these planning processes;
- (c) it can contribute to any given Strategic Plan having duly considered the interests of all the Lothian IJBs and any other planning requirements.

6.5.4 To ensure that the potential impact of the Strategic Plans can be considered in relation to CEC services, facilities and resources in connection with the integration functions, CEC will establish a system which ensures (so far as reasonably practicable) that:

- (a) the senior officers associated with the relevant services can effectively engage in the planning processes

- (b) it informs the IJB where appropriate as to how relevant services, facilities and resources are being or are being intended to be used as a result of these planning processes;
- (c) it can contribute to the Strategic Plan having duly considered the interests and planning requirement of other services delivered by CEC in connection with the integrated functions.

6.5.5 The IJB will factor the output of the above systems into its process for developing its Strategic Plan. This will be achieved by:

- (a) The Chief Officers for the Lothian IJBs sharing information and working collaboratively, taking reasonable steps to ensure that each of the Lothian IJBs is aware of emerging proposals intended to be described in any of the Strategic Plans which are under preparation by the Lothian IJBs;
- (b) Regular meetings between the Chief Officers for the Lothian IJBs and relevant managers of NHS Lothian to provide the Chief Officers with an opportunity to communicate any proposed changes likely to be required by their integration joint boards which will impact on service provision for the population served by another integration joint board and to allow NHS Lothian managers to make the Chief Officers of the Lothian IJBs aware of any new developments which could have a bearing on Strategic Plans.
- (c) Regular meetings between the Chief Officer of the IJB and relevant senior officers of CEC to provide the Chief Officer with an opportunity to communicate any proposed changes likely to be required by the IJB which may impact on service provision for other services delivered by CEC, and to allow CEC senior officers to make the Chief Officer aware of any developments which could have a bearing on the Strategic Plan.

## **6.6 Professional, technical or administrative support services**

6.6.1 In the short term, the Parties will continue to use the arrangements that have already been put in place to provide professional, technical and administrative support to Community Health Partnerships, social care services and joint working more generally.

6.6.2 In order to develop a sustainable long term solution, a working party will be convened, with membership from NHS Lothian and the four local authorities which prepared integration schemes for the Lothian IJBs. This working party will develop recommendations for approval by NHS Lothian, the four local authorities, and the Lothian IJBs.

6.6.3 Key matters that the working party will address are:

- (a) understanding the needs of the Lothian IJBs (in relation to functions delegated to them), as well as the continuing needs of the Parties (for non-delegated functions);
- (b) defining what is meant by “professional, technical or administrative services”;
- (c) systems to appoint the Chief Officer and Chief Finance Officer, as well as addressing their requirements for support;
- (d) bringing all these elements together and devising a pragmatic and sustainable solution.

6.6.4 The working party will link in with any ongoing initiatives that are pertinent to its agenda, so that all relevant work is co-ordinated. Any changes will be taken forward through the existing systems in NHS Lothian and CEC for consultation and managing organisational change.

6.6.5 As soon as the proposals have been finalised by the working party and agreed by NHS Lothian and the four local authorities which prepared the integration schemes for the Lothian IJBs, a draft agreement will be prepared reflecting the agreed proposals. The draft agreement will be adjusted in line with discussions among the parties, and, as soon as the terms have been finalised, it is intended that the agreement will then be formally executed by NHS Lothian, the four local authorities, and the Lothian IJBs (including the IJB).

## **6.7 Performance targets, improvement measures and reporting arrangements**

6.7.1 All national and local outcomes, improvement measures and performance targets which are connected exclusively with the functions delegated by the Parties to the IJB under the Scheme will become the responsibility of the IJB to deliver; and the IJB will also be responsible for providing all such information regarding integration functions

which is required by either of the Parties to enable each of them to fulfil its obligations regarding reporting arrangements in respect of those functions.

- 6.7.2 Where particular national or local outcomes, measures or targets (and associated reporting arrangements) relate to services which are associated with both integration functions and functions which are not delegated by a Party to the IJB, the responsibility for the outcomes, measures or targets (and associated reporting arrangements) will be shared between the IJB and the Party or Parties which exercise those functions, and the IJB will be responsible for providing all such information regarding those integration functions as is required by the relevant Party to enable it to fulfil its obligations regarding reporting arrangements.
- 6.7.3 A set of shared principles will be developed and agreed between the Parties for targets and measurement based on existing best practice.
- 6.7.4 A core group of senior managers and relevant support staff from each Party will develop the performance framework for the IJB, taking account of relevant national guidance. The framework will be underpinned by the Outcomes and will be developed to drive change and improve effectiveness. The framework will be informed by an assessment of current performance arrangements and the development of a set of objectives which the framework will be intended to achieve.
- 6.7.5 A core set of indicators and measures will be identified by the Parties from publicly accountable and national indicators and targets which relate to services delivered in carrying out the functions delegated to the IJB.
- 6.7.6 An integration dataset (“**Integration Dataset**”) will be created for the IJB. This will include information on the data gathering, reporting requirements and accountability for each of these measures and targets and including, in relation to each target, the extent to which responsibility is to transfer to the IJB. This work will be shared with and reviewed by the IJB and amended as appropriate following such review..
- 6.7.7 Indicators will be aligned with the priority areas identified in the joint strategic needs assessment and the Strategic Plan and will be refined as these documents are reviewed and refreshed. These priority areas will be aligned with all the indicators within the Integration Dataset and will be linked to the Outcomes to demonstrate progress in delivering these.

- 6.7.8 The Parties have obligations to meet targets for functions which are not delegated to the IJB, but which are affected by the performance and funding of integration functions. Therefore, when preparing performance management information, the Parties agree that the effect on both integration and non-integration functions must be considered and details must be provided of any targets, measures and arrangements for the IJB to take into account when preparing the Strategic Plan. Where responsibility for performance measures and targets is shared, this will be set out clearly for agreement by the relevant Parties.
- 6.7.9 The Integration Dataset will include information on functions which are not delegated to the IJB. Either one of the Parties, or the IJB, will be able to reasonably require information of that nature to be included within the Integration Dataset.
- 6.7.10 A draft Integration Dataset will be prepared by the Parties by 1 April 2015 and this will be reviewed and updated during the strategic planning process in 2015. A final Integration Dataset will be submitted for approval by the IJB and the Parties before 1 March 2016.
- 6.7.11 The Integration Dataset will be reviewed on at least an annual basis, through a process similar to that outlined above.

## **7. Clinical and Care Governance -**

### **7.1 Introduction**

- 7.1.1 The Parties are to delegate certain of their respective clinical and care functions to the IJB in accordance with Section 4 of the Scheme. The Parties have had regard to their continuing duties regarding clinical and care governance as well as the integration planning principles (as set out in the Act) and the Outcomes when preparing the Scheme, as well as their continuing duties regarding clinical and care governance.
- 7.1.2 This section of the Scheme sets out the arrangements that will be put in place to allow the IJB to fulfil its role with professional advice and with appropriate clinical and care governance in place.
- 7.1.3 Both Parties have well established governance systems to provide governance oversight in terms of clinical and care governance, as well as professional

accountabilities. Those existing systems will continue following the establishment of the IJB.

7.1.4 Continuous improvement and the quality of service delivery (and its impact on outcomes) will be addressed through the development of the IJB's performance management framework pursuant to Section 5 of the Scheme.

7.1.5 Each Party's existing governance systems will continue to be applied to all functions that will be carried out by that Party.

7.1.6 Within its existing governance framework, NHS Lothian has:

(a) a healthcare governance committee, the remit of which is to provide assurance to the Board of NHS Lothian that the quality of all aspects of care in NHS Lothian is person-centred, safe, effective, equitable and maintained to a high standard and to provide assurance to the Board of NHS Lothian that NHS Lothian meets its responsibilities with respect to:-

- i. NHS Lothian participation standards
- ii. Volunteers/Carers
- iii. information governance
- iv. Protection of vulnerable people including children, adults, offenders
- v. Relevant statutory equalities duties;

and

(b) a staff governance committee, the remit of which is to support and maintain a culture within NHS Lothian where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within NHS Lothian and is built upon partnership and collaboration. The staff governance committee must ensure that robust arrangements to implement the (NHS Scotland) Staff Governance Standard are in place and monitored.

7.1.7 The staff governance committee has the primary role on staff governance matters, but can and does refer matters of relevance to the healthcare governance committee.



- 7.1.8 The healthcare governance committee can request assurance from the staff governance committee on matters of direct relevance to its remit, e.g. quality of recruitment, learning and development, completion of mandatory training.
- 7.1.9 Within CEC, the Chief Social Work Officer has overall responsibility for the professional standards of CEC's social work and social care staff. The workforce is also regulated by the Scottish Social Services Council (SSSC), and all professional staff must by law be registered with the SSSC. This registration requirement will, in due course, extend to all social care staff employed by CEC and the voluntary and independent sectors.
- 7.1.10 The Chief Social Work Officer reports annually to CEC on the registration of the workforce and on training, including mandatory training and post-qualifying learning and development.
- 7.1.11 The Chief Social Work Officer also reports annually to CEC on standards achieved, governance arrangements and volume/quantity of statutory functions discharged. This report must comply with national guidance issued by the Scottish Government.

## 7.2 Professional advice

- 7.2.1 NHS Lothian's Board has within its executive membership three clinical members (referred to below as "**Executive Clinical Directors**"): a Medical Director, a Nurse Director, and a Director of Public Health. Their roles include responsibility for the professional leadership and governance of the clinical workforce (medical, nursing, allied health professionals, healthcare scientists, psychology, pharmacy), as well as clinical governance within NHS Lothian generally. The creation of the IJB does not change their roles in respect of professional leadership, and they remain the lead and accountable professionals for their respective professions.
- 7.2.2 CEC has a Chief Social Work Officer who reports to the Chief Executive and councillors. The Chief Social Work Officer monitors service quality and professional standards in social care and social work, for staff employed in both adult and children's services, together with standards in relation to the protection of people at risk. The Chief Social Work Officer role also includes quality assurance of decision-making with regard to adult social care, mental health, criminal justice and children's services, in particular in relation to public protection and the deprivation of liberty.

- 7.2.3 The creation of an IJB does not change the Chief Social Work Officer's role in respect of professional leadership, and he or she will remain the lead and accountable professional for his or her profession.
- 7.2.4 The Chief Social Work Officer must be a non-voting member of the IJB
- 7.2.5 The IJB may elect to appoint one or both of the Medical Director and Nurse Director as additional non-voting members of the IJB.
- 7.2.6 The Integration Joint Boards Order requires NHS Lothian to fill the following non-voting membership positions on the IJB:
- (a) a registered medical practitioner whose name is included in the list of primary medical services performers prepared by the Health Board in accordance with Regulations made under Section 17P of the National Health Service (Scotland) Act 1978;
  - (b) a registered nurse who is employed by the Health Board or by a person or body with which the Health Board has entered into a general medical services contract; and
  - (c) a registered medical practitioner employed by the Health Board and not providing primary medical services.
- 7.2.7 NHS Lothian will consider the advice of the Executive Clinical Directors, and of any other relevant officer it deems fit, before making appointments to fill the membership positions referred to in Section 7.2.6.
- 7.2.8 NHS Lothian will develop a role description for the appointments referred to in Section 7.2.6, to ensure that their role on the IJB with regard to professional leadership and accountability is clearly defined and understood.
- 7.2.9 The three health professional representatives referred to in Section 7.2.6 will each also be:
- (a) a member of an integrated professional group (should it be established), and/or
  - (b) a member of an NHS Lothian Board committee, and/or

- (c) a member of a consultative committee established by NHS Lothian.
- 7.2.10 If a new 'integrated professional group' is established, then the Chief Social Work Officer must also be a member.
- 7.2.11 The three health professional representatives set out in Section [7.2.6] and the Chief Social Work Officer will be expected by the Parties to play a lead role in:
- (a) communicating and having regard to their duties to NHS Lothian or CEC as the case may be whilst discharging their role as a member of the IJB;
  - (b) communicating and having regard to the interests of the IJB whilst discharging their duties as professionals employed by NHS Lothian or (as the case may be) CEC.
- 7.2.12 The members will be expected to communicate regularly with the Executive Clinical Directors, and CEC's Chief Executive as and when appropriate.
- 7.2.13 The presence of these four members will ensure that the decisions of the IJB are informed by professional advice from within the membership of the IJB.
- 7.2.14 As noted in Section 7.1.10, the Chief Social Work Officer reports annually to CEC on the registration of the workforce and on training, including mandatory training and post-qualifying learning and development.
- 7.2.15 NHS Lothian includes a governance statement in its annual accounts, the content of which is informed by the annual reports of its governance committees (such as healthcare governance and staff governance) and certificates of assurance from its Executive Clinical Directors. The IJB may place reliance on these existing processes, and the Parties will provide any such reports from those processes as the IJB may require.
- 7.2.16 The Executive Clinical Directors shall be entitled to raise issues directly with the IJB in writing. The IJB shall be required to respond in writing when issues are raised in this way. The Chief Social Work Officer will be a non-voting member of the IJB, and can therefore raise any issues directly at the IJB.

- 7.2.17 The engagement of professionals throughout the process to develop and consult on the Strategic Plan, is intended to ensure that the IJB has all the required information to prepare a Strategic Plan which will not compromise professional standards.
- 7.2.18 In the unlikely event that the IJB issues a direction to NHS Lothian which is reasonably likely to compromise professional standards, then in the first instance the relevant Executive Clinical Director will write to the IJB.
- 7.2.19 If the issue is not resolved to his/her satisfaction, he/she must inform the Board of NHS Lothian before it takes action to implement the direction, and the following measures will apply:
- (a) the relevant executive clinical director must ensure that appropriate advice is tendered to the Board of NHS Lothian on all matters relating to professional standards;
  - (b) the relevant executive clinical director must set out in writing to the Board of NHS Lothian any objections he/she may have on a proposal that may compromise compliance with professional standards;
  - (c) the Board of NHS Lothian will inform the IJB that it has received such objections, along with a statement of the views of the Board of NHS Lothian on those objections;
  - (d) if the Board of NHS Lothian decides to proceed with a proposal despite those objections, then the relevant executive clinical director must obtain written authority from the Board of NHS Lothian to act on the proposal. The Board of NHS Lothian must inform the Scottish Government Health & Social Care Directorate if a request for such a written authority is made. A copy of that authority must be sent to the appropriate regulatory body, e.g. General Medical Council;
  - (e) once the relevant executive clinical director has received that written authority, then he/she must comply with it;
- 7.2.20 The three professional clinical members on the IJB (two medical practitioners, one nurse) are non-voting members. They will be expected by the Executive Clinical Directors to raise any concerns in relation to matters which may compromise professional standards with the IJB.

- 7.2.21 If any of the three professional clinical members becomes aware of a matter arising from the conduct of IJB business which may compromise professional standards, he/she must immediately notify the Chief Officer of the IJB of his/her concerns, and if his/her concerns are not resolved by the Chief Officer to his/her satisfaction, must then raise the matter with the Chief Executive of NHS Lothian.
- 7.2.22 The Chief Social Work Officer will be a non-voting member of the IJB, and as such, will contribute to decision-making, and will provide relevant professional advice to influence service development.
- 7.2.23 In the event that the IJB issues an instruction to a Party which in the view of the Chief Social Work Officer compromises professional social work standards or the discharge of statutory functions, the Chief Social Work Officer must immediately notify the Chief Officer of the IJB of his/her concerns, and if his/her concerns are not resolved by the Chief Officer to his/her satisfaction, must then raise the matter with the Chief Executive of CEC.

### **7.3 Professionals Informing the IJB Strategic Plan**

- 7.3.1 With regard to the development and approval of its Strategic Plan, the IJB is required by the Act to:
- (a) establish a strategic planning group (which will review the draft Strategic Plan). This strategic planning group must include a nominee from each Party in its membership, as well as representation from health professionals and social care professionals. The Parties will make recommendations to the IJB with regard to the representation from health professionals and social care professionals;
  - (b) formally consult both Parties on its Strategic Plan, and take into account their views before it finalises the Strategic Plan.
- 7.3.2 There will be three opportunities within these arrangements for professional engagement in the planning process;
- (a) at the IJB
  - (b) in the context of the work of the strategic planning group; and

- (c) as part of the consultation process with the Parties associated with the Strategic Plan.

7.3.3 The membership of the IJB will not be the only source of professional advice available to the IJB, In advance of the establishment of the IJB, the Parties agree that the chairs of all appropriate committees and groups will be informed that they are able to, and expected to, directly provide advice to the IJB. Those committees and groups may also advise an integrated professional group that provides advice to the IJB. Those committees and groups include, but are not limited to:

- (a) Area Clinical Forum
- (b) Local consultative committees that have been established under Section 9 of the National Health Service (Scotland) Act 1978.
- (c) Managed Clinical/ Care Networks
- (d) Edinburgh Public Protection Committees (adult and child protection, drug and alcohol, violence against women, offender management etc). The IJB will consult these committees on any plans that may impact on the protection of children or vulnerable adults or people who are assessed as posing a risk
- (e) any integrated professional group which may be established.

*[Note: A schematic illustrating how the above groups interact with NHS Lothian, CEC, the IJB, the Strategic Planning Group, and the localities will be developed in due course and inserted here]*

7.3.4 The shadow arrangements established within the Shadow Edinburgh Health and Social Care Partnership will be reviewed in light of the legislation and guidance, in order to determine whether any new professional committees need to be established.

7.3.5 The Parties will ensure that the draft Strategic Plan is sent to the following senior professionals in order to secure their input and advice:

- (a) NHS Lothian Medical Director
- (b) NHS Lothian Nurse Director

- (c) NHS Lothian Director of Public Health & Health Policy
- (d) NHS Lothian Allied Health Professions Director
- (e) Chief Social Work Officer.

7.3.6 The engagement of CEC professionals will not be limited to social work staff, but will extend to related professionals within social care, such as, but not exclusively, occupational therapists, home care and social care staff.

7.3.7 The approach to locality planning and delivery including the arrangements for clinical and social care governance will be developed through the strategic planning process in a collaborative manner and determined by the IJB.

#### **7.4 External scrutiny of clinical and care functions**

7.4.1 NHS Lothian seeks assurance for internal control/quality through its Healthcare Governance Committee, which includes reports by external bodies such as Healthcare Improvement Scotland.

7.4.2 The Care Inspectorate (Social Care and Social Work Improvement Scotland) regulates, inspects and supports improvement of adult and children's social work and social care, and its reports feed into CEC's system of governance.

7.4.3 The IJB will consequently be informed of any relevant issues from external scrutiny, as a consequence of drawing from the systems already established by the Parties.

#### **7.5 Service User and Carer Feedback**

7.5.1 The Parties have a range of systems already in place to capture and respond to service users' experience, and these will continue to be used as the Parties implement the directions of the IJB.

7.5.2 As part of the wider strategic planning process, (particularly the joint strategic needs assessment process) and the performance management framework, existing work streams on (a) standards and quality improvement and (b) service user feedback will be used to inform how the IJB can address the integration delivery principles and deliver on the Outcomes.

## **8. Chief Officer**

- 8.1 The Chief Officer will be appointed by the IJB; he/she will be employed by one of the Parties and will be seconded to the IJB. .
- 8.2 The Chief Officer will provide a strategic leadership role as principal advisor to and officer of the IJB and will also have an appropriate role in the operational delivery of services by the Parties in the carrying out of integration functions. The Chief Officer will lead the development and delivery of the Strategic Plan for the IJB and will be accountable to the IJB for the content of the directions issued to the Parties by the IJB and for monitoring compliance by the Parties with directions issued by the IJB. The Chief Officer's role in operational delivery will represent an important means by which closer integration of services, in accordance with the integration delivery principles specified in the Act, can be achieved.
- 8.3 The Chief Officer will be jointly managed by both Parties and there will be a joint process for regular performance reviews, support and supervision with both Chief Executives. Annual objectives for the Chief Officer will be agreed and the process will involve the chairperson of the IJB agreeing objectives with the Chief Officer relevant to his/her role with the IJB as well as the Chief Executives of CEC and NHS Lothian. The Chief Officer's performance against those annual objectives will be monitored through an agreed performance management framework established by the Party which is his/her employer.
- 8.4 If an interim replacement for the Chief Officer of the IJB is required, in accordance with a request from the IJB to that effect (on the grounds that the Chief Officer is absent or otherwise unable to carry out his/her functions), the Chief Executives of CEC and NHS Lothian will initiate a joint selection process, identifying a list of potential replacements; and selection of a suitable candidate will be undertaken against a set of agreed criteria. The interim replacement will be employed by one of the Parties and will be seconded to the IJB on an interim basis.

## **9. Workforce**

- 9.1 A human resources and organisational development working group established by the Parties has prepared a work plan for integrating the health and social care workforce in Edinburgh. This group includes NHS Lothian partnership representatives and trade union representatives from CEC. The work plan guiding the work of the group includes a number of work streams, two of which focus on the implementation of an integrated senior management model and an organisational development plan respectively.



- 9.2 The organisational development plan, agreed between the Parties, is currently being implemented. This is a comprehensive plan which covers staff communication, staff engagement, staff and team development, leadership development and the training needs for those staff members who will be responsible for managing integrated teams. In particular, it includes procurement of team and leadership development programmes.
- 9.3 A workforce plan will be developed for the IJB to support the implementation of the Strategic Plan. The workforce plan will take into account the workforce supply and demand challenges that will need to be addressed in order to be able to implement the Strategic Plan.
- 9.4 Both the organisational development plan and workforce plan will be finalised following completion of the first Strategic Plan and will be refreshed annually to ensure that they take account of the Strategic Plan and the development needs of staff engaged in the delivery of integrated functions.
- 9.5 The Lothian-wide work plan for 2014 / 2015 guiding the group referred to in Section 9.1 is already agreed by the Parties. It will be reviewed in April 2015 and annually thereafter.

## **10. Finance**

### **10.1 Financial Governance**

#### ***Appointment of a Chief Finance Officer***

- 10.1.1 The IJB will make arrangements for the proper administration of its financial affairs. This will include the appointment of a Chief Finance Officer with this responsibility.
- 10.1.2 The IJB will have regard to the current CIPFA guidance on the role of the chief financial officer in local government when appointing to this finance role. A job description will be developed with due regard to Scottish Government guidance in terms of financial functions.
- 10.1.3 The Chief Finance Officer will be employed by CEC or NHS Lothian and seconded to the IJB.
- 10.1.4 In the event that the Chief Finance Officer position is vacant, the Chief Officer shall secure, through agreement with both the CEC Section 95 officer and the NHS Lothian Director of Finance, an appropriate interim dedicated resource to discharge the role.

### ***Financial Management of the IJB***

10.1.5 The IJB will determine its own internal financial governance arrangements; and the Chief Finance Officer will be responsive to the decisions of the IJB, and the principles of financial governance set out in this Scheme.

### ***Principles of Financial Governance***

10.1.6 The following principles of financial governance shall apply:

- (a) The Parties have agreed to establish the IJB as a “joint operation” as defined by IFRS 11;
- (b) The Parties will work together in a spirit of openness and transparency.

### ***Financial Governance***

10.1.7 CEC and NHS Lothian agree to the establishment of an IJB Budget (as defined in Section 1 of the Scheme). The Chief Officer will manage the IJB Budget. .

10.1.8 The Parties are required to implement the directions of the IJB in carrying out a delegated function in line with the Strategic Plan, provided that the costs incurred by the relevant Party in implementing a direction shall be met in full by the IJB.

10.1.9 The Parties will apply their established systems of financial governance to the payments they receive from the IJB. The NHS Lothian Accountable Officer and the CEC Section 95 Officer have legally defined responsibilities and accountability for the financial governance of their respective bodies.

10.1.10 The Chief Officer in his/her operational role within NHS Lothian and CEC is responsible for the financial management of any Operational Budget, and is accountable for this to the NHS Lothian Chief Executive and CEC Section 95 officer.

10.1.11 The IJB will develop its own financial regulations. The Chief Finance Officer will periodically review these financial regulations and present any proposed changes to the IJB for its approval.

10.1.12 CEC will host the IJB financial accounts and will be responsible for recording the IJB financial transactions through its existing financial systems, including the ability to establish reserves.

10.1.13 The IJB's Chief Finance Officer will be responsible for preparing the IJB's accounts and ensuring compliance with statutory reporting requirements as a body under the relevant legislation.

10.1.14 The IJB's Chief Finance Officer will also be responsible for preparing a medium-term financial plan to be incorporated into the Strategic Plan. The IJB's Chief Finance Officer will also be responsible for preparing the annual financial statement that the IJB must publish under Section 39 of the Act, which sets out what the IJB intends to spend in implementation of the Strategic Plan.

10.1.15 The Chief Finance Officer will be responsible for producing finance reports to the IJB, ensuring that those reports are comprehensive.

10.1.16 The Chief Finance Officer will liaise closely with the CEC Section 95 officer and the NHS Lothian Director of Finance and their teams in order to discharge all aspects of his/her role. Section 6 of the Scheme sets out the process the Parties will undertake to determine how professional, technical and administrative services (including, without limitation, finance support) will be provided to the IJB.

## **10.2 Payments to the IJB (made under Section 1(3) (e) of the Act)**

10.2.1 The Parties will agree annually a schedule of payments (covering their respective calculated payments for the financial year in accordance with the Strategic Plan) to the IJB . This schedule of payments will be agreed within the first 30 working days of each new financial year.

10.2.2 It is expected that the net difference between payments into and out from the IJB will result in a balancing payment between CEC and NHS Lothian which reflects the effect of the directions of the IJB in accordance with the Strategic Plan.

### ***Payments to the IJB***

10.2.3 The Parties will apply their respective financial planning processes to arrive at a core baseline Operational Budget for each function delegated to the IJB; this will be used to calculate their respective payments to the IJB for the financial year in question.

### ***Hosted Services***

10.2.4 Some of the functions that will be delegated by NHS Lothian to all four Lothian IJBs are currently provided as part of a single Lothian-wide service, (referred to below as “**Hosted Services**”). As such there is not currently a separately identifiable budget for Hosted Services allocated to each local authority area.

10.2.5 In order to identify the core baseline budget for each of the Hosted Services in each local authority area, NHS Lothian will initially determine which of the following methodologies is the most appropriate in representing the distribution of the delivery of those services in each local authority area and their respective populations at a given point in time:

- (a) local activity and cost data for each service within each local authority area;
- (b) population distribution across the local authority areas;
- (c) patient level activity and cost data;
- (d) historically applied and recognised percentages.

10.2.6 CEC and the IJB will review the proposals from NHS Lothian referred to above, as part of a due diligence process, and the core baseline budget will be jointly agreed.

### ***Due Diligence***

10.2.7 The Parties will share information on the financial performance over the previous two financial years of the functions which will be delegated to the IJB (and the services associated with the carrying out of those functions). This will allow the Parties to

undertake appropriate reviews to gain assurance that the services are currently being delivered sustainably within approved resources, and that the anticipated initial payments will be sufficient for the IJB to fund the carrying out of the functions delegated to it.

10.2.8 Where a Party reasonably believes in relation to a function which it is to delegate to the IJB, that there is potential for the actual expenditure to vary significantly from projections, it will identify that function, and will ensure that sufficient information is provided to the IJB so that it may build up its working knowledge of the issues, and focus on those functions within their systems for risk management and financial reporting..

10.2.9 This process of due diligence will be applied in future years, and this will be informed by, amongst other things, the intelligence within the financial performance reports covering all integration functions that the IJB will routinely receive.

#### ***Determining the schedules for the Initial Payments***

10.2.10 The CEC Section 95 officer and the NHS Lothian Director of Finance are responsible for preparing the draft schedules for their respective constituent authorities setting out the initial payment to the IJB. The CEC Section 95 officer and the NHS Lothian Director of Finance will consult with the Chief Officer (designate) and officers of both Parties as part of this process.

10.2.11 The CEC Section 95 officer and the NHS Lothian Director of Finance will each prepare a draft schedule outlining the detail and total value of the proposed payment from each Party, and the underlying methodology and assumptions behind that payment. These draft schedules will identify any amounts included in the payments that are subject to separate legislation or subject to restrictions stipulated by third party funders. The draft schedules will also contain the detail and total value of set aside resources for hospital services, made under Section 1(3) (d) of the Act.

10.2.12 The CEC Section 95 officer and the NHS Lothian Director of Finance will refer the draft schedules to the Chief Officer (designate) so that he/she has an opportunity to formally consider it. This draft schedule must be agreed by the Director of Finance of NHS Lothian, the CEC Section 95 Officer and the Chief Officer (designate).The CEC Section 95 officer and the NHS Lothian Director of Finance will thereafter present the

final draft schedules to CEC and NHS Lothian for approval in line with their respective governance procedures.

***Subsequent Section 1(3) (e) Payments to the IJB***

10.2.13 The calculation of payments in each subsequent financial year will follow the same processes as are described above for the initial payment subject to the following:

- (a) the starting position will be the payments made to the IJB in the previous financial year;
- (b) the Parties will then review the payments, having due regard to any known factors that could affect core baseline budgets, available funding, their existing commitments, the results of their own financial planning processes, the previous year's budgetary performance for the functions delegated to the IJB, the IJB's performance report for the previous year, and the content of the Strategic Plan;
- (c) the Parties will also have due regard to the impact of any service re-design activities that have been a direct consequence of IJB directions;
- (d) the Parties will engage the IJB, Chief Officer, and Chief Financial Officer in the process of calculating payments for subsequent financial years through the following arrangements:
  - both Parties will provide indicative three year allocations to the IJB, subject to annual approval through their respective budget setting processes;
  - the Parties will ensure that the Chief Officer and Chief Finance Officer are actively engaged in their financial planning processes. The Chief Officer will be expected to feed into the respective planning processes of the Parties with any intelligence that is relevant, such as the effect of previous directions on activity and expenditure, and projected changes in activity and expenditure.

***The set-aside of resources for use by the IJB under Section 1(3) (d) of the Act***

10.2.14 In addition to the Section 1(3)(e) payments to the IJB, NHS Lothian will identify a set aside budget for delegated functions in large hospitals. The set aside budget for delegated hospital services will be based on an apportionment of the relevant NHS Lothian budgets for the delegated hospital services (excluding overheads) based on historic activity within the respective areas served by the Lothian IJBs.

*[Note: Further work requires to be carried out to determine, in light of guidance from the Scottish Government, how the set-aside arrangements will work in practice. The Parties will therefore develop this part of the Scheme at a later date].*

***Process to agree payments from the IJB to NHS Lothian and CEC***

10.2.15 The IJB will determine and approve, in accordance with the Strategic Plan, the payments to the Parties which will accompany its directions to them for carrying out functions delegated to the IJB. The Party receiving a direction from the IJB shall implement it to the extent its costs in doing so are met by the payment received from the IJB.

10.2.16 Each direction from the IJB to a Party will take the form of a letter from the Chief Officer referring to the arrangements for delivery set out in the Strategic Plan and will include information on:

- (a) the delegated function(s) that are to be carried out;
- (b) the outcomes to be delivered for those delegated functions;
- (c) the amount of and method of determining the payment to be made, in respect of the carrying out of the delegated functions.

10.2.17 Once issued, directions can be amended by a subsequent direction by the IJB.

10.2.18 Where amounts paid to the IJB are subject to separate legislation or subject to restrictions stipulated by third party funders, the IJB must reflect these amounts in full, in determining the level of the payments to be made to CEC and/or NHS Lothian in

respect of the carrying out of the relevant function or functions. However, the IJB is not precluded from increasing the resource allocated to the relevant services.

### **10.3 Financial Reporting to the IJB**

10.3.1 Budgetary control and monitoring reports (in such form as the IJB may reasonably request from time to time) will be provided to the IJB as and when reasonably requires. The reports will set out the financial position and outturn forecast against the payments by the IJB to each Party in respect of the carrying out of integration functions and against the amount set aside by NHS Lothian for hospital services. These reports will present the actual and forecast positions of expenditure for delegated functions and highlight any financial risks and areas where further action is required by the IJB to manage its budget pressures.

10.3.2 NHS Lothian will provide reports to the IJB on the set aside budget.

*[Note: Further work requires to be carried out to determine, in light of guidance from the Scottish Government, how the set-aside arrangements will work in practice. The Parties will therefore further develop this part of the Scheme at a later date.]*

10.3.3 Through the process of reviewing the professional, technical and administrative support to the IJB, and the development of accounting for the set-aside, the Parties will devise a sustainable model to support financial reporting to the new IJB. Until that model is in place, both Parties will provide the required information from their respective finance systems, and this will be co-ordinated and consolidated by the Chief Finance Officer to provide reports to the IJB on all the IJB's integration functions.

### **10.4 Process for addressing variance in the spending of the Integration Joint Board**

#### ***Treatment of forecast over- and under-spends against the Operational Budget***

10.4.1 The Integration Joint Board is required to break even each financial year.

10.4.2 The Parties will ensure that their respective budget monitoring and management systems will be applied to monitor and manage their expenditure in relation to delivery of integrated functions in accordance with directions issued to them by the IJB.



10.4.3 Where financial monitoring reports indicate that an overspend is forecast on the Operational Budget, the Chief Officer should take immediate and appropriate remedial action to endeavour to prevent the overspend.

10.4.4 In the event that such remedial action will not prevent the overspend, the IJB Chief Finance Officer will develop a proposed recovery plan to address the forecast overspend. The Chief Finance Officer will then present that recovery plan to the IJB as soon as practically possible. The recovery plan will be subject to the approval of the IJB.

#### ***Additional Payments by the Parties to the Integration Joint Board***

10.4.5 Where such a recovery plan is projected to be unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the Parties may consider making additional payments to the Integration Joint Board.

10.4.6 NHS Lothian and CEC will consider making interim funding available on a basis to be agreed between the Parties, with repayment in future years on the basis of the revised recovery plan by the IJB. If the revised plan cannot be agreed by NHS Lothian and CEC or is not approved by the IJB, the dispute resolution arrangements provided for in the Scheme will apply.

#### ***Underspends***

10.4.7 In the event of an underspend in the Operational Budgets, the following shall apply:

- (a) if the underspend is fortuitous, and unrelated to any direction by the IJB, then the underspend shall be returned to the relevant Party (through a corresponding reduction in the payments to be made by it to the IJB);
- (b) the IJB will retain all other underspends.

10.4.8 The IJB can hold reserves to the extent agreed by the IJB and both Parties.

### ***Treatment of variations against the amounts set aside for use by the IJB***

*[Note: Further work requires to be carried out to determine, in light of guidance from the Scottish Government, how the set-aside arrangements will work in practice. The Parties will therefore develop this part of the Scheme at a later date]*

10.4.9 The Parties agree that the primary responsibility for providing the capacity required in terms of the relevant direction issued by the IJB within the resources allocated by the IJB (being the amount of the set-aside amount specified in the relevant direction) shall lie with NHS Lothian.

### **10.5 Redetermination of payments (made under Section 1(3)(e)) to the IJB**

10.5.1 Redeterminations of payments made by CEC and NHS Lothian for the carrying out of integration functions would apply under the following circumstances:

- (a) additional one off funding is provided to a Party or Parties by the Scottish Government, or some other body, for expenditure in respect of a function delegated to the IJB;
- (b) the Parties agree that an adjustment to the payment is required to reflect changes in demand and/or activity levels;
- (c) there is a transfer of resources between set aside hospital resources and integrated budget resources delegated to the IJB and managed by the Chief Officer.

10.5.2 The Parties and the IJB would be required to agree to the redetermination. The Parties would apply the process used to calculate the payment to the IJB to the affected functions and the Strategic Plan would require to be amended accordingly.

10.5.3 Any agreed additional payments shall be added to the schedule of payments for the financial year in question.

## **10.6 Redetermination of payments (made under Section 1(3)(d)) to the IJB**

*[Note: Further work requires to be carried out to determine, in light of guidance from the Scottish Government, how the set-aside arrangements will work in practice.. The Parties will therefore develop this part of the Scheme at a later date.]*

## **10.7 Use of Capital Assets**

10.7.1 The IJB, NHS Lothian and CEC will identify all capital assets which will be used in the delivery of the Strategic Plan. Further to this, the associated revenue and future capital liabilities will be identified for each asset

10.7.2 An agreement will be developed which specifies and regulates the use (in relation to integration functions) of capital assets belonging to one Party by the other Party, or jointly by both Parties. A similar agreement will specify and regulate the use by the IJB, in the carrying out of its functions, of assets belonging to the Parties. These agreements will be updated as required.

10.7.3 Changes in use of capital assets will flow from the Strategic Plan and the directions issued by the IJB to the Parties. The Strategic Plan process will outline any implications or requirements for capital assets.

10.7.4 The Parties will ensure that their respective capital asset planning arrangements take due cognisance of the above implications and requirements.

10.7.5 The Chief Officer of the IJB will consult with CEC and NHS Lothian to identify the specific need for improvements/changes to assets owned by each which may be required in connection with the carrying out of integration functions. Where a capital investment need is identified, the Chief Officer will present a business case to CEC and NHS Lothian to make best use of existing resources and develop capital programmes. Any business case will set out how the investment will meet the strategic objectives set out in the Strategic Plan and identify the ongoing revenue costs/savings associated with implementation of the proposals.

10.7.6 The IJB, CEC and NHS Lothian will work together to ensure that assets required in connection with the carrying out of integration functions are used as effectively as

possible and in compliance with the relevant legislation relating to use of public assets.

## **10.8 Audit and Financial Statements**

### ***Internal audit***

10.8.1 It is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This will include determining who will provide the internal audit service for the IJB.

10.8.2 The head of the internal audit service will report to the Chief Officer and the IJB on the annual audit plan, delivery of the plan and recommendations; and will provide an annual internal audit report including the audit opinion. These matters will be overseen by the Audit and Risk Committee established by the IJB.

### ***Financial Statements and External Audit***

10.8.3 The legislation requires that the IJB is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973 (Section 13). This will require audited annual accounts to be prepared with the reporting requirements specified in the relevant legislation and regulations (Section 12 of the Local Government in Scotland Act 2003 and regulations under section 105 of the Local Government (Scotland) Act 1973). These will be proportionate to the limited number of transactions of the IJB whilst complying with the requirements for transparency and true and fair reporting in the public sector.

10.8.4 The reporting requirements for the annual accounts are set out in legislation and regulations and will be prepared following the CIPFA Local Authority Code of Practice.

10.8.5 The Chief Finance Officer of the IJB will supply any information required to support the development of the year-end financial statements and annual report for both NHS Lothian and CEC. Both NHS Lothian and CEC will need to disclose their interest in the IJB as a joint arrangement under IAS 31 and comply in their annual accounts with

IAS 27. Both NHS Lothian and CEC will report the IJB as a related party under IAS 24.

10.8.6 The IJB financial statements must be completed to meet the audit and publication timetable specified in the regulations (Regulations under section 105 of the Local Government (Scotland) Act 1973).

10.8.7 The Accounts Commission will appoint the external auditors to the IJB.

10.8.8 The financial statements will be signed in line with the governance arrangements for the IJB and as specified in the Regulations under section 105 of the Local Government (Scotland) Act 1973.

10.8.9 In all forms of audit, the Parties are expected to comply with related requests and to aid the audit process.

## **11. Participation and Engagement**

### **11.1 Consultation in the development of the Scheme**

*[Note: This section describes the approach which is proposed to be taken in relation to participation and engagement; the final form of the Scheme, in the form submitted to the Scottish Government, will make reference to the detail of the approached participation and engagement which has taken place prior to that point in time]*

11.1.1 The development of the Scheme has involved consultation with:

- (a) the groups represented on the shadow strategic planning group (the "SPG") established by the Parties as set out in the regulations issued under the Act. (further details of such groups being set out in Annex 3);
- (b) the service user and carer members of the shadow Integration Joint Board established by the parties, and their wider networks; and
- (c) groups and fora that represent a combination of staff (practitioners and clinicians) service users and service providers (further details of such groups and fora being set out in Annex 4).

11.1.2 A collaborative four stage approach has been adopted:

- (d) Stage 1 – officers of NHS Lothian and CEC produce a first draft in line with guidance
- (e) Stage 2 – review content for the Scheme with the SPG
- (f) Stage 3 – undertake wider consultation, following the framework for ‘Consulting Edinburgh’ with the groups and fora referred to in Section 11.1.1(c) above.
- (g) Stage 4 – produce second draft for approval by NHS Lothian and CEC and submit to Scottish Government.

## **11.2 Participation and engagement strategy in relation to decisions about carrying out integration functions**

11.2.1 The Parties will support the IJB to produce a strategy for engagement with, and participation by members of the public, representative groups or other organisations in relation to decisions about the carrying out of integration functions as set out in this Section 11.2.

11.2.2 A draft of the IJB’s participation and engagement strategy has been produced for consultation with key stakeholders, and with the public, using the ‘Consulting Edinburgh’ electronic portal.

11.2.3 The draft participation and engagement strategy will be amended following consultation and submitted to the IJB for approval.

11.2.4 The ongoing development of the participation and engagement strategy will be achieved using a collaborative approach, involving the membership of the strategic planning group.

11.2.5 It is envisaged that the strategic planning group will take both an advisory and active role in the undertaking of future participation and engagement around the implications of service development and re-design.

11.2.6 The action plan for delivering the strategy will be reviewed at regular meetings of the strategic planning group and if necessary, changes will be recommended for approval by the IJB, to take account of new audiences or service design and re-design.

11.2.7 CEC's 'Consulting Edinburgh' framework will be used for engagement; and NHS Lothian has contributed to the development of the consultation framework that supports the approach and has agreed to follow the framework and make use of the consultation hub (a digital platform) to launch future consultations. Further details are set out in Annex 5

## **12. Information-Sharing and Data Handling**

- 12.1 There is an existing and long standing Pan-Lothian and Borders General Information Sharing Protocol, to which NHS Lothian, CEC, East Lothian Council, Midlothian Council and West Lothian Council are all signatories. This is currently being reviewed by a sub group on behalf of the Pan-Lothian Data Sharing Partnership for any minor modifications required to comply with the Integration Scheme Regulations. The final Protocol, following consultation, will be recommended for signature by Chief Executives of the respective organisations, and the Chief Officers of the Lothian IJBs, on behalf of the Data Sharing Partnership.
- 12.2 The Pan-Lothian and Borders General Information Sharing Protocol update will be agreed by 31 March 2015.
- 12.3 Procedures for sharing information between the relevant local authority, Health Board, and, where applicable, the relevant integration joint board will be drafted as Information Sharing Agreements and procedure documents. This will be undertaken by a sub group on behalf of the Pan-Lothian Data Sharing Partnership, who will detail the more granular purposes, requirements, procedures and agreements for each of the Lothian IJBs and the functions respectively delegated to them.
- 12.4 CEC and NHS Lothian will continue to be Data Controller for their respective records (electronic and manual), and will detail arrangements where these are jointly controlled by agreement. The IJB may require to be Data Controller for personal data if it is not held by either CEC or NHS Lothian.
- 12.5 Procedures will be based on a single point of governance model. This allows data and resources to be shared; with governance standards and their implementation being the separate responsibility of each organisation.
- 12.6 Following consultation, Information Sharing Protocols and procedure documents will be recommended for signature by the Chief Executives of the respective organisations, and the Chief Officers of the Lothian IJBs.

12.7 Once established, Agreements and Procedures will be reviewed bi-annually by the sub group of the Pan-Lothian Data Sharing Partnership, or more frequently if required.

12.8 The Information Sharing Agreements and procedures applicable to the IJB will be agreed by 31 March 2015.

### **13. Complaints**

13.1 People who use services provided in pursuance of integration functions will continue to make complaints either to CEC or to NHS Lothian. Both organisations have in place well publicised, clearly explained and accessible complaints procedures that allow for timely recourse and signpost independent advocacy services, where relevant.

13.2 Complaints about the delivery of an integration function may be made to, and dealt with by, the Party which is required to deliver that function in pursuance of a direction issued by the IJB or (in a case where the direction is issued in respect of a given function to both constituent authorities jointly) to either of those constituent authorities.

13.3 When responding to complaints about a service which is delivered jointly, officers responsible for complaints handling within CEC and NHS Lothian will discuss the complaint, and identify which elements that are the subject of the complaint will be investigated by each Party, and agree which Party will prepare the written response at the end of the investigation. Failing agreement, the Chief Officer acting reasonably will decide which of the constituent authorities should prepare the written response and this will be signed by the Chief Officer.

13.4 Any investigation will be carried out in line with the published complaints procedure of the relevant Party, mindful of any statutory complaints handling arrangements that might apply. It will be the responsibility of the Party preparing the written response to ensure that the complainant is correctly signposted to the options open to him/her to progress his/her complaint if he/she remains dissatisfied.

13.5 On completion of the complaints procedure, complaints about specific social work functions may be referred to a Complaints Review Committee (CRC) at the complainant's request and thereafter the Scottish Public Services Ombudsman. At the end of the complaints process, complainants are entitled to take their complaint to the Scottish Public Services Ombudsman. Where appropriate, complainants will also be advised of their right to complain to the Care Inspectorate.



- 13.6 The Chief Officer will have an overview of complaints made about integration services and subsequent responses. Complaints about integration services will be recorded and reported to the Chief Officer on a regular and agreed basis. Regular trend analysis of complaints and complaint outcomes will also be carried out as part of a wider quality assurance framework.
- 13.7 Responsibility for responding to Scottish Public Services Ombudsman complaints enquiries will lie with the Party that dealt with the original complaint.
- 13.8 Where necessary, officers responsible for complaints handling within CEC and NHS Lothian will work together to provide a full response to any Scottish Public Services Ombudsman enquiry that covers both health and social care functions.
- 13.9 All independent contractors involved in the delivery of services associated with an integration function will be required to have a complaints procedure. Where complaints are received about the service provided by an independent contractor, the relevant Party will refer the complaint to the independent contractor in the first instance, either providing contact details or by passing the complaint on, depending on the preferred approach of the complainant. Complaints received about independent contractors will be recorded for contract monitoring purposes.
- 13.10 Complaints about the IJB should be made to the chairperson of the IJB. Staff within CEC and NHS Lothian will support the Chief Officer with the investigation and written response to the complainant, which will be signed by the Chief Officer.
- 13.11 The Parties will work together to align their complaints processes in as far as reasonably practicable and put in place a joint working protocol to adopt an integrated approach to complaints handling, so that the process of making a complaint is as simple as possible for service users and complaints about services associated with integration functions are responded to clearly, thoroughly and timeously. This joint working protocol will identify the lead organisation for each service which is delivered jointly and will include the contact details of officers responsible for managing any complaints received.

#### **14. Claims Handling, Liability & Indemnity**

- 14.1 The liability of either or both Parties and/or the IJB in respect of any claim that may be made by a third party in respect of any matter connected with the carrying out of integration functions shall be determined in accordance with principles of common law and/or any applicable legislation.

14.2 Where a claim by a third party is received by either of the Parties or the IJB in respect of any matter connected with the carrying out of integration functions (the body receiving such a claim being referred to as the “**Claim Recipient**”), the Claim Recipient, shall, as soon as reasonably practicable, notify any other body or bodies (being either or both Parties and/or the IJB) which the Claim Recipient considers (acting reasonably) could be held to be liable (whether wholly or partly) in relation to the claim were it to be upheld by the court; and the Claim Recipient shall (subject to clause 14.3):

14.2.1 provide that other body or bodies with all such information in relation to the claim as is available to the Claim Recipient;

14.2.2 allow that other body or bodies (and/or its or their insurers) to conduct the defence of the claim, subject to that other body or bodies indemnifying the Claim Recipient in relation to any loss or liability (including legal expenses on a solicitor-client basis, and any award of expenses) which the Claim Recipient might thereby incur; and

14.2.3 avoid taking any step which could prejudice the defence of the claim without the prior written consent of that other body or bodies.

14.3 Where a Claim Recipient considers (acting reasonably) that it itself could be held to be liable along with another Party and/or the IJB in relation to the relevant claim were it to be upheld by the court, the Claim Recipient and the other body or bodies (and/or their respective insurers) shall co-operate with each other in respect of the defence of the claim, and the indemnity by the other body or bodies referred to in Section 14.2 shall not apply.

## **15. Risk Management**

### **15.1 IJB**

15.1.1 The IJB will develop and agree a risk management strategy in relation to carrying out of integration functions by 31<sup>st</sup> March 2016 or the integration start date if sooner.

15.1.2 The risk management strategy will include:-

- (a) a statement of the IJB’s risk appetite and associated tolerance measures;
- (b) a description of how the system of risk management will work in practice, including the procedures for identification, classification, recording and reporting of risk, and the respective roles of the IJB and its officers. This will explain how the output from the risk management systems within NHS Lothian

and CEC will inform the IJB's system of risk management as well as ensuring that any risks associated with proposals from the Strategic Plan are captured, assessed and managed appropriately and shared with NHS Lothian and CEC;

- (c) a description of how the IJB system of risk management is informed by other related systems of NHS Lothian and CEC, such as complaints management, health & safety, adverse events management, emergency planning and business resilience;
- (d) an agreement between NHS Lothian and CEC on the resources to be made available to support risk management in the IJB and how this will work;
- (e) a description of how risk will be monitored by the IJB, the framework for reporting and frequency.

15.1.3 A group of officers from across NHS Lothian and CEC have worked collaboratively to develop a first draft risk register for the IJB. The IJB will update and amend its risk register should there be any emerging themes/risks which have a bearing on its activities.

## **15.2 NHS Lothian and CEC**

15.2.1 Both Parties will continue to apply their existing policies and systems for risk management, and will implement any required restructuring of their risk registers to recognise the creation of the IJB.

15.2.2 NHS Lothian covers four local authority areas, and there will be some services delivered by NHS Lothian under directions from the Lothian IJBs which one operational Chief Officer will manage on a Lothian-wide basis. The identification and management of risk for those Hosted Services will reflect the differing directions of the Lothian IJBs.

## **16. Dispute Resolution**

16.1 In the event of any dispute between the Parties in relation to any matter provided for in this Scheme or any of the duties, obligations, rights or powers imposed or conferred upon them by the Act (a "**Dispute**"), the provisions of this section 16 will apply.

- 16.2 Either Party shall give to the other written notice of the Dispute, setting out its nature and full particulars (a "**Dispute Notice**"), together with relevant supporting documents. The Party giving the Dispute Notice will provide a copy to the chairperson of the IJB. On service of the Dispute Notice, the Chief Executives of the Parties shall meet and attempt in good faith to resolve the Dispute.
- 16.3 Where the matter remains unresolved within [NUMBER] days of service of the Dispute Notice, the Parties shall inform the chairperson of the IJB and may proceed to mediation with a view to resolving the issue. Any mediator will be external to the Parties and will be identified and appointed with the agreement of the Chair of NHS Lothian and the Leader of CEC and failing agreement within [NUMBER] days shall be nominated by the Centre for Effective Dispute Resolution (CEDR) on the request of either Party.
- 16.4 The mediation will start not later than [NUMBER] days after the date of appointment of the mediator.
- 16.5 The Parties agree that the cost of the mediator will be met equally by NHS Lothian and CEC. The timeframe to resolve the issue will be agreed prior to the start of the mediation process by the Chair of NHS Lothian and the Leader of CEC and notified to the chairperson of the IJB.
- 16.6 The chairperson of the IJB will inform Scottish Ministers in writing of the Dispute and agreed timeframe to conclude the mediation process.
- 16.7 Where following mediation the issue remains unresolved, the chairperson of the IJB shall notify Scottish Ministers in writing. Scottish Ministers may then advise the Parties how to proceed.
- 16.8 The Parties shall cooperate with each other to mitigate any adverse effect on service delivery pending resolution of the Dispute.
- 16.9 Nothing in this Scheme shall prevent either of the Parties from seeking any legal remedy or from commencing or continuing court proceedings in relation to the Dispute.

## Annex 1

### Part 1A Functions delegated by NHS Lothian to the IJB

Set out below is the list of functions that are to be delegated by NHS Lothian to the IJB, as required by the Public Bodies (Joint Working) (Prescribed Health Board Functions) (Scotland) Regulations 2014 (being the functions prescribed for the purposes of section 1(8) of the Act)

<i>Column A</i>	<i>Column B</i>
<b>The National Health Service (Scotland) Act 1978</b>	
All functions of Health Boards conferred by, or by virtue of, the National Health Service (Scotland) Act 1978	Except functions conferred by or by virtue of— section 2(7) (Health Boards);  section 2CA <sup>(1)</sup> (Functions of Health Boards outside Scotland); section 9 (local consultative committees); section 17A (NHS Contracts); section 17C (personal medical or dental services);  section 17I <sup>(2)</sup> (use of accommodation); section 17J (Health Boards' power to enter into general medical services contracts); section 28A (remuneration for Part II services); section 38 <sup>(3)</sup> (care of mothers and young children);  section 38A <sup>(4)</sup> (breastfeeding);

<sup>(1)</sup> Section 2CA was inserted by S.S.I. 2010/283, regulation 3(2).

<sup>(2)</sup> Section 17I was inserted by the National Health Service (Primary Care) Act 1997 (c.46), Schedule 2 and amended by the Primary Medical Services (Scotland) Act 2004 (asp 1), section 4. The functions of the Scottish Ministers under section 17I are conferred on Health Boards by virtue of S.I. 1991/570, as amended by S.S.I. 2006/132.

<sup>(3)</sup> The functions of the Secretary of State under section 38 are conferred on Health Boards by virtue of S.I. 1991/570.

<sup>(4)</sup> Section 38A was inserted by the Breastfeeding etc (Scotland) Act 2005 (asp 1), section 4. The functions of the Scottish Ministers under section 38A are conferred on Health Boards by virtue of S.I. 1991/570 as amended by S.S.I. 2006/132.

section 39<sup>(5)</sup> (medical and dental inspection, supervision and treatment of pupils and young persons);

section 48 (provision of residential and practice accommodation);

section 55<sup>(6)</sup> (hospital accommodation on part payment);

section 57 (accommodation and services for private patients);

section 64 (permission for use of facilities in private practice);

section 75A<sup>(7)</sup> (remission and repayment of charges and payment of travelling expenses);

section 75B<sup>(8)</sup> (reimbursement of the cost of services provided in another EEA state);

section 75BA<sup>(9)</sup> (reimbursement of the cost of services provided in another EEA state where expenditure is incurred on or after 25 October 2013);

section 79 (purchase of land and moveable property);

section 82<sup>(10)</sup> (use and administration of certain endowments and other property held by Health Boards);

section 83<sup>(11)</sup> (power of Health Boards and local health councils to hold property on trust);

---

<sup>(5)</sup> Section 39 was relevantly amended by the Self Governing Schools etc (Scotland) Act 1989 (c.39) Schedule 11; the Health and Medicines Act 1988 (c.49) section 10 and Schedule 3 and the Standards in Scotland's Schools Act 2000 (asp 6), schedule 3.

<sup>(6)</sup> Section 55 was amended by the Health and Medicines Act 1988 (c.49), section 7(9) and Schedule 3 and the National Health Service and Community Care Act 1990 (c.19), Schedule 9. The functions of the Secretary of State under section 55 are conferred on Health Boards by virtue of S.I. 1991/570.

<sup>(7)</sup> Section 75A was inserted by the Social Security Act 1988 (c.7), section 14, and relevantly amended by S.S.I. 2010/283. The functions of the Scottish Ministers in respect of the payment of expenses under section 75A are conferred on Health Boards by S.S.I. 1991/570.

<sup>(8)</sup> Section 75B was inserted by S.S.I. 2010/283, regulation 3(3) and amended by S.S.I. 2013/177.

<sup>(9)</sup> Section 75BA was inserted by S.S.I. 2013/292, regulation 8(4).

<sup>(10)</sup> Section 82 was amended by the Public Appointments and Public Bodies etc. (Scotland) Act 2003 (asp 7) section 1(2) and the National Health Service Reform (Scotland) Act 2004 (asp 7), schedule 2.

<sup>(11)</sup> There are amendments to section 83 not relevant to the exercise of a Health Board's functions under that section.

section 84A<sup>(12)</sup> (power to raise money, etc., by appeals, collections etc.);

section 86 (accounts of Health Boards and the Agency);

section 88 (payment of allowances and remuneration to members of certain bodies connected with the health services);

section 98<sup>(13)</sup> (charges in respect of non-residents);

and

paragraphs 4, 5, 11A and 13 of Schedule 1 to the Act (Health Boards);

and functions conferred by—

The National Health Service (Charges to Overseas Visitors) (Scotland) Regulations 1989<sup>(14)</sup>;

NHS Lothians (Membership and Procedure) (Scotland) Regulations 2001/302;

The National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000/54;

The National Health Services (Primary Medical Services Performers Lists) (Scotland) Regulations 2004/114;

The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2004;

The National Health Service (Discipline Committees) Regulations 2006/330;

The National Health Service (General Ophthalmic Services) (Scotland) Regulations 2006/135;

The National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009/183;

---

<sup>(12)</sup> Section 84A was inserted by the Health Services Act 1980 (c.53), section 5(2). There are no amendments to section 84A which are relevant to the exercise of a Health Board's functions.

<sup>(13)</sup> Section 98 was amended by the Health and Medicines Act 1988 (c.49), section 7. The functions of the Secretary of State under section 98 in respect of the making, recovering, determination and calculation of charges in accordance with regulations made under that section is conferred on Health Boards by virtue of S.S.I. 1991/570.

<sup>(14)</sup> S.I. 1989/364, as amended by S.I. 1992/411; S.I. 1994/1770; S.S.I. 2004/369; S.S.I. 2005/455; S.S.I. 2005/572 S.S.I. 2006/141; S.S.I. 2008/290; S.S.I. 2011/25 and S.S.I. 2013/177.

The National Health Service (General Dental Services) (Scotland) Regulations 2010/205; and  
The National Health Service (Free Prescription and Charges for Drugs and Appliances) (Scotland) Regulations 2011/55<sup>(15)</sup>.

**Disabled Persons (Services, Consultation and Representation) Act 1986**

Section 7

(Persons discharged from hospital)

**Community Care and Health (Scotland) Act 2002**

All functions of Health Boards  
conferred by, or by virtue of, the  
Community Care and Health  
(Scotland) Act 2002.

**Mental Health (Care and Treatment) (Scotland) Act 2003**

All functions of Health Boards  
conferred by, or by virtue of, the  
Mental Health (Care and Treatment)  
(Scotland) Act 2003.

Except functions conferred by—  
section 22 (Approved medical practitioners);  
section 34 (Inquiries under section 33: co-  
operation)<sup>(16)</sup>;  
section 38 (Duties on hospital managers:  
examination notification etc.)<sup>(17)</sup>;  
section 46 (Hospital managers' duties:  
notification)<sup>(18)</sup>;  
section 124 (Transfer to other hospital);  
section 228 (Request for assessment of needs: duty  
on local authorities and Health Boards);

---

<sup>(15)</sup> S.S.I. 2011/55, to which there are amendments not relevant to the exercise of a Health Board's functions.

<sup>(16)</sup> There are amendments to section 34 not relevant to the exercise of a Health Board's functions under that section.

<sup>(17)</sup> Section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 provides a definition of "managers" relevant to the functions of Health Boards under that Act.

<sup>(18)</sup> Section 46 is amended by S.S.I. 2005/465.



section 230 (Appointment of a patient's responsible medical officer);

section 260 (Provision of information to patients);

section 264 (Detention in conditions of excessive security: state hospitals);

section 267 (Orders under sections 264 to 266: recall);

section 281<sup>(19)</sup> (Correspondence of certain persons detained in hospital);

and functions conferred by—

The Mental Health (Safety and Security) (Scotland) Regulations 2005<sup>(20)</sup>;

The Mental Health (Cross Border transfer: patients subject to detention requirement or otherwise in hospital) (Scotland) Regulations 2005<sup>(21)</sup>;

The Mental Health (Use of Telephones) (Scotland) Regulations 2005<sup>(22)</sup>; and

The Mental Health (England and Wales Cross border transfer: patients subject to detention requirement or otherwise in hospital) (Scotland) Regulations 2008<sup>(23)</sup>.

#### **Education (Additional Support for Learning) (Scotland) Act 2004**

##### Section 23

(other agencies etc. to help in exercise of functions under this Act)

#### **Public Services Reform (Scotland) Act 2010**

All functions of Health Boards conferred by, or by virtue of, the Public Except functions conferred by— section 31(Public functions: duties to provide

---

<sup>(19)</sup> Section 281 is amended by S.S.I. 2011/211.

<sup>(20)</sup> S.S.I. 2005/464, to which there are amendments not relevant to the exercise of the functions of a Health Board. Section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 provides a definition of "managers" relevant to the functions of Health Boards.

<sup>(21)</sup> S.S.I. 2005/467. Section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 provides a definition of "managers" relevant to the functions of Health Boards.

<sup>(22)</sup> S.S.I. 2005/468. Section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 provides a definition of "managers" relevant to the functions of Health Boards.

<sup>(23)</sup> S.S.I. 2008/356. Section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 provides a definition of "managers" relevant to the functions of Health Boards.

Services Reform (Scotland) Act 2010 information on certain expenditure etc.); and  
section 32 (Public functions: duty to provide  
information on exercise of functions).

**Patient Rights (Scotland) Act 2011**

All functions of Health Boards conferred by, or by virtue of, the Patient Rights (Scotland) Act 2011	Except functions conferred by The Patient Rights (Complaints Procedure and Consequential Provisions) (Scotland) Regulations 2012/36 <sup>(24)</sup> .
--	---

---

But in each case, subject to the restrictions set out in article 3(3) of the Public Bodies (Joint Working) (Prescribed Health Board Functions) (Scotland) Regulations 2014

---

<sup>(24)</sup> S.S.I. 2012/36. Section 5(2) of the Patient Rights (Scotland) Act 2011 (asp 5) provides a definition of “relevant NHS body” relevant to the exercise of a Health Board’s functions.

## **Annex 1**

### **Part 1B**

#### **Additional functions delegated by NHS Lothian to the IJB**

Set out below is the list of additional functions that are to be delegated by NHS Lothian to the IJB

The functions exercisable in relation to the following health services as they relate to provision for people under the age of 18:

- (a) Primary Medical Services and General Medical Services (including GP Pharmaceutical services)
- (b) General Dental Services, Public Dental Services and the services provided by the Edinburgh Dental Institute
- (c) General Ophthalmic Services
- (d) General Pharmaceutical Services
- (e) Out of Hours Primary Medical Services
- (f) Services for people with Learning Disabilities.

## Annex 1

### Part 2

#### Services associated with the functions delegated by NHS Lothian to the IJB

Set out below is an illustrative description of the services associated with the functions delegated by NHS Lothian to the IJB as specified in Parts 1A and 1B of Annex 1.

#### Interpretation of this Part 2 of Annex 1

In this Part 2—

“Allied Health Professional” means a person registered as an allied health professional with the Health Professions Council;

“general medical practitioner” means a medical practitioner whose name is included in the General Practitioner Register kept by the General Medical Council;

“general medical services contract” means a contract under section 17J of the National Health Service (Scotland) Act 1978;

“hospital” has the meaning given by section 108(1) of the National Health Service (Scotland) Act 1978;

“inpatient hospital services” means any health care service provided to a patient who has been admitted to a hospital and is required to remain in that hospital overnight, but does not include any secure forensic mental health services;

“out of hours period” has the same meaning as in regulation 2 of the National Health Service (General Medical Services Contracts) (Scotland) Regulations 2004<sup>(25)</sup>; and

“the public dental service” means services provided by dentists and dental staff employed by a health board under the public dental service contract.

- a) Accident and Emergency services provided in a hospital.
- b) Inpatient hospital services relating to the following branches of medicine—
  - (a) general medicine;
  - (b) geriatric medicine;
  - (c) rehabilitation medicine;
  - (d) respiratory medicine; and

---

<sup>(25)</sup> S.S.I. 2004/115.

- (e) psychiatry of learning disability.
- c) Palliative care services provided in a hospital.
- d) Inpatient hospital services provided by General Medical Practitioners.
- e) Services provided in a hospital in relation to an addiction or dependence on any substance.
- f) Mental health services provided in a hospital, except secure forensic mental health services.
- g) District nursing services.
- h) Services provided outwith a hospital in relation to an addiction or dependence on any substance.
- i) Services provided by allied health professionals in an outpatient department, clinic, or outwith a hospital.
- j) The public dental service.
- k) Primary medical services provided under a general medical services contract, and arrangements for the provision of services made under section 17C of the National Health Service (Scotland) Act 1978, or an arrangement made in pursuance of section 2C(2) of the National Health Service (Scotland) Act 1978<sup>(26)</sup>.
- l) General dental services provided under arrangements made in pursuance of section 25 of the National Health (Scotland) Act 1978<sup>(27)</sup>.
- m) Ophthalmic services provided under arrangements made in pursuance of section 17AA or section 26 of the National Health Service (Scotland) Act 1978<sup>(28)</sup>.
- n) Pharmaceutical services\* and additional pharmaceutical services provided under arrangements made in pursuance of sections 27 and 27A of the National Health Service (Scotland) Act 1978<sup>(29)</sup>.
- o) Services providing primary medical services to patients during the out-of-hours period.

---

<sup>(26)</sup> Section 2C was inserted by the Primary Medical Services (Scotland) Act 2004 (asp 1), section 1(2) and relevantly amended by the National Health Service Reform (Scotland) Act 2004 (asp 7), schedule 1, and the Tobacco and Primary Medical Services (Scotland) Act 2010 (asp 3), section 37.

<sup>(27)</sup> Section 25 was relevantly amended by the Smoking, Health and Social Care (Scotland) Act 2005 (asp 13), section 15.

<sup>(28)</sup> Section 17AA was inserted by the National Health Service (Primary Care) Act 1997 (c.46), section 31(2) and relevantly amended by the Smoking, Health and Social Care (Scotland) Act 2005 (asp 13), section 25. Section 26 was relevantly amended by the Health and Social Security Act 1984 (c.48), Schedule 1, and the Smoking, Health and Social Care (Scotland) Act 2005 (asp 13) section 13.

<sup>(29)</sup> Section 27 was relevantly amended by the Health Services Act 1990 (c.53), section 20; the National Health Service and Community Care Act 1990 (c.19), Schedule 9; the Medicinal Products: Prescription by Nurses etc. Act 1992 (c.28), section 3; the National Health Service and Community Care Act 1997 (c.46), Schedule 2 and the Health and Social Care Act 2001 (c.15), section 44.

- p) Services provided outwith a hospital in relation to geriatric medicine.
- q) Palliative care services provided outwith a hospital.
- r) Community learning disability services.
- s) Mental health services provided outwith a hospital.
- t) Continence services provided outwith a hospital.
- u) Kidney dialysis services provided outwith a hospital.
- v) Services provided by health professionals that aim to promote public health.

In each case, subject to the exceptions set out in Parts 1A and 1B of Annex 1 and to the restrictions set out in article 3(3) of the Public Bodies (Joint Working) (Prescribed Health Board Functions) (Scotland) Regulations 2014.

In addition to the services (as set out above) associated with the carrying out of functions that must be delegated, NHS Lothian has chosen to delegate the following health services as they relate to provision for people under the age of 18:

- a) Primary Medical Services and General Medical Services (including GP Pharmaceutical services)
- b) General Dental Services, Public Dental Services and the Edinburgh Dental Institute
- c) General Ophthalmic Services
- d) General Pharmaceutical Services
- e) Out of Hours Primary Medical Services
- f) Learning Disabilities

## Annex 2

### Part 1

#### Functions delegated by CEC to the IJB

Set out below is the list of functions that are to be delegated by CEC to the IJB (being the functions prescribed for the purposes of section 1(7) of the Public Bodies (Joint Working) (Scotland) Act 2014)

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>
<b>National Assistance Act 1948<sup>(30)</sup></b>	
Section 48 (Duty of councils to provide temporary protection for property of persons admitted to hospitals etc.)	
<b>The Disabled Persons (Employment) Act 1958<sup>(31)</sup></b>	
Section 3 (Provision of sheltered employment by local authorities)	
<b>The Social Work (Scotland) Act 1968<sup>(32)</sup></b>	

<sup>(30)</sup> 1948 c.29; section 48 was amended by the Local Government etc. (Scotland) Act 1994 (c.39), Schedule 39, paragraph 31(4) and the Adult Support and Protection (Scotland) Act 2007 (asp 10) schedule 2 paragraph 1.

<sup>(31)</sup> 1958 c.33; section 3 was amended by the Local Government Act 1972 (c.70), section 195(6); the Local Government (Scotland) Act 1973 (c.65), Schedule 27; the National Health Service (Scotland) Act 1978 (c.70), schedule 23; the Local Government Act 1985 (c.51), Schedule 17; the Local Government (Wales) Act 1994 (c.19), Schedules 10 and 18; the Local Government etc. (Scotland) Act 1994 (c.49), Schedule 13; and the National Health Service (Consequential Provisions) Act 2006 (c.43), Schedule 1.

<sup>(32)</sup> 1968 c.49; section 1 was relevantly amended by the National Health Service (Scotland) Act 1972 (c.58), schedule 7; the Children Act 1989 (c.41), Schedule 15; the National Health Service and Community Care Act 1990 (c.19) ("the 1990 Act"), schedule 10; S.S.I. 2005/486 and S.S.I. 2013/211. Section 4 was amended by the 1990 Act, Schedule 9, the Children (Scotland) Act 1995 (c.36) ("the 1995 Act"), schedule 4; the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp 13) ("the 2003 Act"), schedule 4; and S.S.I. 2013/211. Section 10 was relevantly amended by the Children Act 1975 (c.72), Schedule 2; the Local Government etc. (Scotland) Act 1994 (c.39), Schedule 13; the Regulation of Care (Scotland) Act 2001 (asp 8) ("the 2001 Act") schedule 3; S.S.I. 2010/21 and S.S.I. 2011/211. Section 12 was relevantly amended by the 1990 Act, section 66 and Schedule 9; the 1995 Act, Schedule 4; and the Immigration and Asylum Act 1999 (c.33), section 120(2). Section 12A was inserted by the 1990 Act, section 55, and amended by the Carers (Recognition and Services) Act 1995 (c.12), section 2(3) and the Community Care and Health (Scotland) Act 2002 (asp 5) ("the 2002 Act"), sections 8 and 9(1). Section 12AZA was inserted by the Social Care (Self Directed Support) (Scotland) Act 2013 (asp 1), section 17. Section 12AA and 12AB were inserted by the 2002 Act, section 9(2). Section 13 was amended by the Community Care (Direct Payments) Act 1996 (c.30), section 5. Section 13ZA was inserted by the Adult Support and Protection (Scotland) Act 2007 (asp

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>
Section 1 (Local authorities for the administration of the Act.)	So far as it is exercisable in relation to another integration function.
Section 4 (Provisions relating to performance of functions by local authorities.)	So far as it is exercisable in relation to another integration function.
Section 8 (Research.)	So far as it is exercisable in relation to another integration function.
Section 10 (Financial and other assistance to voluntary organisations etc. for social work.)	So far as it is exercisable in relation to another integration function.
Section 12 (General social welfare services of local authorities.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 12A (Duty of local authorities to assess needs.)	So far as it is exercisable in relation to another integration function.
Section 12AZA (Assessments under section 12A - assistance)	So far as it is exercisable in relation to another integration function.
Section 12AA (Assessment of ability to provide care.)	
Section 12AB (Duty of local authority to provide information to carer.)	

10), section 64. Section 13A was inserted by the 1990 Act, section 56 and amended by the Immigration and Asylum Act 1999 (c.33), section 102(2); the 2001 Act, section 72 and schedule 3; the 2002 Act, schedule 2 and by S.S.I. 2011/211. Section 13B was inserted by the 1990 Act sections 56 and 67(2) and amended by the Immigration and Asylum Act 1999 (c.33), section 120(3). Section 14 was amended by the Health Services and Public Health Act 1968 (c.46), sections 13, 44 and 45; the National Health Service (Scotland) Act 1972 (c.58), schedule 7; the Guardianship Act 1973 (c.29), section 11(5); the Health and Social Service and Social Security Adjudications Act 1983 (c.41), schedule 10 and the 1990 Act, schedule 9. Section 28 was amended by the Social Security Act 1986 (c.50), Schedule 11 and the 1995 Act, schedule 4. Section 29 was amended by the 1995 Act, schedule 4. Section 59 was amended by the 1990 Act, schedule 9; the 2001 Act, section 72(c); the 2003 Act, section 25(4) and schedule 4 and by S.S.I. 2013/211.



<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>
Section 13 (Power of local authorities to assist persons in need in disposal of produce of their work.)	
Section 13ZA (Provision of services to incapable adults.)	So far as it is exercisable in relation to another integration function.
Section 13A (Residential accommodation with nursing.)	
Section 13B (Provision of care or aftercare.)	
Section 14 (Home help and laundry facilities.)	
Section 28 (Burial or cremation of the dead.)	So far as it is exercisable in relation to persons cared for or assisted under another integration function.
Section 29 (Power of local authority to defray expenses of parent, etc., visiting persons or attending funerals.)	
Section 59 (Provision of residential and other establishments by local authorities and maximum period for repayment of sums borrowed for such provision.)	So far as it is exercisable in relation to another integration function.
<b>The Local Government and Planning (Scotland) Act 1982<sup>(33)</sup></b>	
Section 24(1) (The provision of gardening assistance for the disabled and the elderly.)	
<b>Disabled Persons (Services, Consultation and Representation) Act 1986<sup>(34)</sup></b>	
Section 2 (Rights of authorised representatives of disabled persons.)	

<sup>(33)</sup> 1982 c.43; section 24(1) was amended by the Local Government etc. (Scotland) Act 1994 (c.39), schedule 13.

<sup>(34)</sup> 1986 c.33. There are amendments to sections 2 and 7 which are not relevant to the exercise of a local authority's functions under those sections.

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>

Section 3 (Assessment by local authorities of needs of disabled persons.)	
Section 7 (Persons discharged from hospital.)	In respect of the assessment of need for any services provided under functions contained in welfare enactments within the meaning of section 16 and which have been delegated.
Section 8 (Duty of local authority to take into account abilities of carer.)	In respect of the assessment of need for any services provided under functions contained in welfare enactments (within the meaning set out in section 16 of that Act) which are integration functions.

**The Adults with Incapacity (Scotland) Act 2000<sup>(35)</sup>**

Section 10 (Functions of local authorities.)	
Section 12 (Investigations.)	
Section 37 (Residents whose affairs may be managed.)	Only in relation to residents of establishments which are managed under integration functions.
Section 39 (Matters which may be managed.)	Only in relation to residents of establishments which are managed under integration functions.
Section 41 (Duties and functions of managers of authorised establishment.)	Only in relation to residents of establishments which are managed under integration functions
Section 42 (Authorisation of named manager to withdraw from resident's account.)	Only in relation to residents of establishments which are managed under integration functions
Section 43 (Statement of resident's affairs.)	Only in relation to residents of establishments which are managed under integration

<sup>(35)</sup> 2000 asp 4; section 12 was amended by the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp 13), schedule 5(1). Section 37 was amended by S.S.I. 2005/465. Section 39 was amended by the Adult Support and Protection (Scotland) Act 2007 (asp 10), schedule 1 and by S.S.I. 2013/137. Section 41 was amended by S.S.I. 2005/465; the Adult Support and Protection (Scotland) Act 2007 (asp 10), schedule 1 and S.S.I. 2013/137. Section 45 was amended by the Regulation of Care (Scotland) Act 2001 (asp 8), Schedule 3.

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>
	functions
Section 44 (Resident ceasing to be resident of authorised establishment.)	Only in relation to residents of establishments which are managed under integration functions
Section 45 (Appeal, revocation etc.)	Only in relation to residents of establishments which are managed under integration functions
<b>The Housing (Scotland) Act 2001<sup>(36)</sup></b>	
Section 92 (Assistance to a registered for housing purposes.)	Only in so far as it relates to an aid or adaptation.
<b>The Community Care and Health (Scotland) Act 2002<sup>(37)</sup></b>	
Section 5 (Local authority arrangements for of residential accommodation outwith Scotland.)	
Section 14 (Payments by local authorities towards expenditure by NHS bodies on prescribed functions.)	
<b>The Mental Health (Care and Treatment) (Scotland) Act 2003<sup>(38)</sup></b>	
Section 17 (Duties of Scottish Ministers, local authorities and others as respects Commission.)	
Section 25 (Care and support services etc.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 26 (Services designed to promote well-being and social development.)	Except in so far as it is exercisable in relation to the provision of housing support services.

<sup>(36)</sup> 2001 asp 10; section 92 was amended by the Housing (Scotland) Act 2006 (asp 1), schedule 7.

<sup>(37)</sup> 2002 asp 5.

<sup>(38)</sup> 2003 asp 13; section 17 was amended by the Public Services Reform (Scotland) Act 2010 (asp 8), section 111(4), and schedules 14 and 17, and by the Police and Fire Reform (Scotland) Act 2012 (asp 8), schedule 7. Section 25 was amended by S.S.I. 2011/211. Section 34 was amended by the Public Services Reform (Scotland) Act 2010 (asp 8), schedules 14 and 17.

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>
Section 27 (Assistance with travel.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 33 (Duty to inquire.)	
Section 34 (Inquiries under section 33: Co-operation.)	
Section 228 (Request for assessment of needs: duty on local authorities and Health Boards.)	
Section 259 (Advocacy.)	
<b>The Housing (Scotland) Act 2006<sup>(39)</sup></b>	
Section 71(1)(b) (Assistance for housing purposes.)	Only in so far as it relates to an aid or adaptation.
<b>The Adult Support and Protection (Scotland) Act 2007<sup>(40)</sup></b>	
Section 4 (Council's duty to make inquiries.)	
Section 5 (Co-operation.)	
Section 6 (Duty to consider importance of providing advocacy and other.)	
Section 11 (Assessment Orders.)	
Section 14 (Removal orders.)	
Section 18 (Protection of moved persons property.)	
Section 22 (Right to apply for a banning order.)	

<sup>(39)</sup> 2006 asp 1; section 71 was amended by the Housing (Scotland) Act 2010 (asp 17) section 151.

<sup>(40)</sup> 2007 asp 10; section 5 and section 42 were amended by the Public Services Reform (Scotland) Act 2010 (asp 8), schedules 14 and 17 and by the Police and Fire Reform (Scotland) Act 2012 (asp 8), schedule 7. Section 43 was amended by the Public Services Reform (Scotland) Act 2010 (asp 8), schedule 14.

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>
Section 40 (Urgent cases.)	
Section 42 (Adult Protection Committees.)	
Section 43 (Membership.)	
<b>Social Care (Self-directed Support) (Scotland) Act 2013<sup>(41)</sup></b>	
Section 3 (Support for adult carers.)	Only in relation to assessments carried out under integration functions.
Section 5 (Choice of options: adults.)	
Section 6 (Choice of options under section 5: assistances.)	
Section 7 (Choice of options: adult carers.)	
Section 9 (Provision of information about self-directed support.)	
Section 11 (Local authority functions.)	
Section 12 (Eligibility for direct payment: review.)	
Section 13 (Further choice of options on material change of circumstances.)	Only in relation to a choice under section 5 or 7 of the Social Care (Self-directed Support) (Scotland) Act 2013 .
Section 16 (Misuse of direct payment: recovery.)	
Section 19 (Promotion of options for self-directed support.)	

---

<sup>(41)</sup> 2013 asp 1.

Functions, conferred by virtue of enactments, prescribed for the purposes of section 1(7) of the Public Bodies (Joint Working) (Scotland) Act 2014

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>
<b>The Community Care and Health (Scotland) Act 2002</b>	
Section 4 <sup>(42)</sup>	
The functions conferred by Regulation 2 of the Community Care (Additional Payments) (Scotland) Regulations 2002 <sup>(43)</sup>	

In each case, so far as the functions are exercisable in relation to persons of at least 18 years of age.

---

<sup>(42)</sup> Section 4 was amended by the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp 13), schedule 4 and the Adult Support and Protection (Scotland) Act 2007 (asp 10), section 62(3).

<sup>(43)</sup> S.S.I. 2002/265, as amended by S.S.I. 2005/445.

## **Annex 2**

### **Annex 2 Part 2**

#### **Services currently associated with the functions delegated by CEC to the IJB**

Set out below is an illustrative description of the services associated with the functions delegated by CEC to the IJB as specified in Part 1 of Annex 2.

Social work services for adults and older people  
Services and support for adults with physical disabilities and learning disabilities  
Mental health services  
Drug and alcohol services  
Adult protection and domestic abuse  
Carers support services  
Community care assessment teams  
Support services  
Care home services  
Adult placement services  
Health improvement services  
Housing support/aids and adaptation in so far as they relate to adult with social care needs  
Day services  
Local area co-ordination  
Respite provision  
Occupational therapy services  
Re-ablement services, equipment and telecare.

In each case, so far as the services are provided to persons of at least 18 years of age.

## Annex 3

### Part 1: Shadow Strategic Planning Group Consultees

The list of individuals and their wider constituency consulted on the Scheme is as follows:

<b>Member</b>	<b>Wider constituency</b>
Health care member of the Professional Advisory Committee	Professional Advisory Committee
Social care member of Professional Advisory Committee	Professional Advisory Committee
Social care member of Professional Advisory Committee	Professional Advisory Committee
Non-voting service user rep from Shadow Partnership Board (health care)	Patients Council
Non-voting service user rep from Shadow Partnership Board (adult social care)	Network of service users and carers
Non-voting carer rep from Shadow Partnership Board (health)	Carers' network
Non-voting carer rep from Shadow Partnership Board (adult social care)	Carers' network
Officer or member of Scottish Care	Scottish Independent care providers
Representative from a third sector provider of non-commercial providers of health care	EVOC Named charities
Representative from a third sector provider of social care	Third sector providers of social care
Member of Edinburgh Affordable Housing Partnership	Edinburgh Affordable Housing Partnership
Rep of Third sector organisations carrying out activities related to health or social care	EVOC
Representative from one neighbourhood partnership in each locality	Neighbourhood Partnerships
Commercial providers of health care	Internet



## **Annex 4 List of Consultees**

### **Key Audience - Groups and Fora that represent a combination of staff, services users, service providers and Party governance arrangements**

All Council members

All Health Board members

Edinburgh Partnership Board

Shadow Health and Social Care Partnership

Edinburgh Alcohol and Drugs Partnership

Reducing Re-offending Partnership

#### **Providers:**

Mental Health and Substance Misuse services providers

Disability services providers

Care at Home providers

Care home providers

Care at Home Providers

Scottish Care

Coalition Care Providers

#### **Planning Fora and Groups:**

Joint Mental Health planning forum \*

Dementia Delivery Group

Older People's Management Group \*

Carer Support Hospital Discharge Steering Group

Carers strategic planning group \*

Planning and Commissioning Officers

Edinburgh (Learning Disability) Plan Advisory Group Health & Social Care \*

\*These groups also have service user representatives

#### **Service Users and Carers Groups: (please note that all of these groups may be involved in the planning of services)**

Autism Champions

Young Carers Action Group

VolunteerNet  
Edinburgh Carers Reference Group  
Carers Network  
Housing and Care Group  
Network/Core Group (for Personalisation) of service users and carers  
Mental Health & Wellbeing Forum  
Public Partnership Fora  
Edinburgh Partnership Equality Network  
LGBT Age Capacity

**Staff and Management Groups:**

General cascade briefing/email for all staff  
Departmental Joint Consultative Committee  
Council Partnership at work Forum  
NHS Lothian Partnership Forum  
Health & Social Care Senior Management Team  
Black and Minority Ethnic Workers Forum  
Discharge Hubs  
Social work sector and hospital teams managers  
Older People and Disabilities Managers  
Integrated Carers Team  
Mental Health Service Managers  
Criminal Justice Service Managers  
Quality and Standards Managers  
Business Development Managers  
Contracts Team  
Joint Consultative Forum/ DJCC/Trade Unions

Open staff meetings at key sites – RIE/WGH/AAH/Liberton  
Staff open sessions (perhaps one on each hospital site in Edinburgh)  
Offer to attend other sessions.

**Health Board and Council Governance:**

Acute Hospitals Committee  
General Practitioners Sub Committee  
Lothian Medical Committee  
CHP committees (e.g. Primary Care)  
NHS Lothian Finance and Resources Committee  
NHS Lothian Staff Governance Committee

NHS Lothian Healthcare Governance Committee  
NHS Lothian Strategic Planning Committee  
Council Finance and Resources Committee  
Council Health, Social Care and Housing Committee  
Council Education, Children and Families Committee  
Council Administration and opposition  
Governance Review and Best Value Committee (Audit)  
Internal Audit of Council and NHS Lothian  
Corporate Programme Office of Council – and relevant programmes e.g. BOLD

**Other External Audiences:**

Other Local Authorities in Lothian  
Criminal Justice Authority Board  
MSPs and MPs  
Community Planning Partnerships  
Scottish Government Health Department  
Third Sector via TSIs – EVOC, Compact  
External Audit of NHS Lothian and Council  
SSSC  
Care Commission  
Relevant professional clinical and care bodies

## Annex 5 Consultation framework – ‘Consulting Edinburgh’

### Main features of ‘Consulting Edinburgh’

Presents the Consultation Charter based on the principles of integrity, visibility, accessibility, transparency, disclosure, fair interpretation and publication.

- Provides ability to evidence how views have been sought.
- Supports staff on how to undertake consultations.
- Acts as a benchmark for consistency and robust process and practice
- Provides a definition of consultation that incorporates ‘deliberative dialogue, i.e. decisions are taken **after** consultation.
- Offers an e-learning tool for officers to assess if a consultation is appropriate.
- Guides officers and stakeholders who are launching a consultation through all stages, including: preparation; pre-consultation; consultation and post-consultation. (The guidance includes the development of a communications strategy.)
- Defines the roles and responsibilities of officers who provide communications, research, data collection and analysis, equalities and rights and stakeholder mapping support.

There is other guidance for:

- when the consultation is out-sourced to an external agency
- setting up a consultation on the electronic ‘hub’ (which is open to the public to view and interact with) monitoring and evaluation.

## **EDINBURGH INTEGRATION JOINT BOARD**

### **DRAFT INTEGRATION SCHEME**

#### **Document 1 - CONSULTATION SUMMARY and QUESTIONNAIRE**

##### **Introduction**

The Scottish Government has changed the law, introducing the [Public Bodies \(Joint Working\) \(Scotland\) Act 2014, \(the Act\)](#), so that the NHS and Councils can work better together. This means we can work together to improve care and support for people who live within the City of Edinburgh Council area. We will do this by bringing most Council social care services and some NHS health services under one organisation which will be called the Edinburgh Integration Authority. The two organisations involved in making these changes, NHS Lothian and the City of Edinburgh Council, are called the 'integration partners'.

Since 2012, a Shadow Health and Social Care Partnership Board has been meeting to prepare for the changes coming from the new legislation.

This consultation paper is set out in two main parts:

Part 1 – A summary of the key changes; and

Part 2 – 'The Integration Scheme made clearer' - a description of each of the sections of the Draft Integration Scheme, outlining which matters are fixed by legislation and/or guidance, which are more flexible and so can be commented upon and the 'key questions' that are particularly important to us.

It is supported by:

Document 2 National Health and Wellbeing Outcomes and Planning and Delivery Principles

Document 3 Response Form

Document 4 Equalities Monitoring Form

## **PART 1 : What is changing?**

We need to join up health and social care services to:

- have better connected and co-ordinated services for adults across Edinburgh
- help us to respond better to the expected increased demand for services as people are living longer
- work more collaboratively with individuals and local communities so we can support people to live as independently and as safely as possible in their communities, for as long as it possible
- reduce the need for people to have to go into hospital and reduce delays following a hospital stay
- help us be more efficient with funds
- help us achieve the National Health and Wellbeing Outcomes. (see document 2)
- work within the Integration Planning Principles to improve the wellbeing of service users. (see document 2)

### **How are we going to do this? – The Edinburgh Integration Joint Board (EIJB)**

- The NHS and the Council within each local authority area must decide on the option for governing the new integrated arrangements. In Edinburgh the option jointly chosen by the Council and NHS Lothian is a “body corporate”, called the Integrated Joint Board (EIJB). This Board will be made up of five NHS Lothian non executive Directors and five Councillors from the City of Edinburgh Council working in partnership, and it will have a Chief Officer.
- The EIJB’s purpose is to improve the wellbeing of people who use health and social care services, particularly those with complex needs that involve support from health and social care at the same time. It will be able to plan across social care, NHS services in communities and some hospital services to ensure these become better co-ordinated for people.

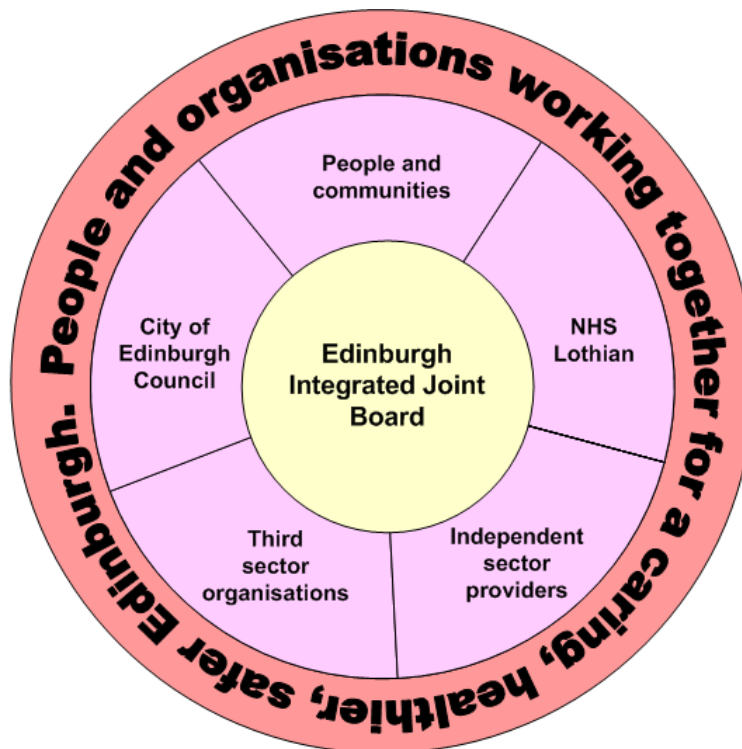
It will be responsible for strategy, planning, and directing what health and social care services are needed for people living in Edinburgh. The EIJB will work with people and communities with an interest in health and social care services. The EIJBs plan will

describe how health and social care services need to be different between communities to match the needs of people living in them.

## Vision

The joint vision for the Edinburgh Integration Joint Board is:

***Working together for a caring, healthier, safer Edinburgh***



## What are our ambitions for the Edinburgh Integration Joint Board?

Our ambitions for the Edinburgh Integration Joint Board are as follows:

- (a) In Edinburgh, the successful integration of health and social care will mean that people experience improved health and wellbeing; and that inequalities, including health inequalities, are reduced.
- (b) Services will always be planned with and around people and local communities, who will be active partners in the design, delivery and evaluation of these services.
- (c) The Parties will develop, train and support staff from all organisations to work together to respond appropriately to meet people's needs.

- (d) The Parties will use their shared resources in the most cost effective way to achieve better outcomes for people, and to allow public funds to go further to meet demand.
- (e) The EIJB will work in partnership with each of the Parties, third sector organisations, independent sector providers and most importantly people within their communities, to deliver improved and fully-integrated health and social care services for the people of Edinburgh.

### **What will guide the work of the Edinburgh Integration Joint Board?**

The EIJB has to follow the Integration Delivery Principles which are explained in the Act, and must work to achieve the National Health and Wellbeing Outcomes. Both the principles and outcomes can be viewed on the Scottish Government website [here](#) and are reproduced in a document (2) which is one of the supporting documents to this consultation summary.

### **What will be different?**

The main differences relate to governance arrangements for planning and delivery, to budgets and to the role of the Chief Officer:

**The Edinburgh Integration Joint Board** will be a new organisation. It will be made up of an equal number of NHS Lothian Board members and elected members from the City of Edinburgh Council. They will, together and for the first time, have the joint responsibility for planning and directing the services in the new arrangements for the benefit of the people of Edinburgh.

**The Integration Planning Principles** place a new and very clear set of responsibilities on the Integration Joint Board for the delivery of services.

**The Chief Officer** is a new role, which has responsibility for the planning of the 'whole system' of health and social care services (except some services based in hospitals) and with one combined budget. The Chief Officer must bring together the currently separate health and social care arrangements in a way that meets the needs of the local population. In doing so, the Chief Officer will have to take account of the best information available and of cost-effectiveness.



**The budgets** for the services included will be brought together under the responsibility of the Chief Officer. The Strategic Plan will identify how the combined budget will be best used.

**The Strategic Plan** must be developed for all of the services that will fall within the responsibility of the EIJB. The planning process must be done in a truly collaborative way with people who use our services, with people who are carers of those who use our services and with people who provide the services, including independent and third sector providers and staff. The Plan must also reflect local circumstances in a more robust way than has been the case for previous planning arrangements.

The EIJB has a role to ensure that the Strategic Plan is implemented by the Council and NHS Lothian.

### **Services currently provided by the Council and NHS Lothian that must be included**

The Scottish Government has set out that all adult social care, all adult community health care and specific adult hospital services, must be included in the new arrangements and delegated to the EIJB.

#### **The Council services are:**

- for adults with physical or learning disabilities
- mental health services
- drug and alcohol services
- adult protection and domestic abuse
- carers support services
- community care assessment teams
- care homes
- adult placement services
- health improvement services,
- day services,
- respite services,
- local area co-ordination,

## Appendix 2

- occupational therapy services,
- home care re-ablement services,
- aids and adaptations, equipment and telecare,
- housing support to adults with social care needs.

### **The NHS services are**

- GPs
- district and community nursing
- community physiotherapy and podiatry
- hospital services provided by GPs
- continence services
- kidney dialysis
- accident and emergency
- general medicine
- geriatric medicine
- respiratory medicine
- rehabilitation medicine
- palliative care
- psychiatry of learning disability
- hospital services related to an addiction or dependence on any substance
- mental health services.

In addition, NHS Lothian has agreed that community dentists, opticians, and the community pharmacy, out of hours GP service, and primary care of under 18 year olds should also be delegated to the EIJB.

### **Service that are not included**

The services that remain with the NHS are; hospital services such as surgery, high dependency, trauma, cardiology, gastroenterology, dermatology, rheumatology, and specialist children's services. The Act requires these to be delegated to the EIJB and NHS Lothian has decided to continue to manage and plan these services.

The social care services remaining with the Council are children's services (including children's aids and adaptations), and criminal justice. Under the Act these services could

be included in the EIJB arrangements, but the Council has decided they will remain within the Council.

### **Finance**

The integration partners, with the EIJB, will agree annual payments to the EIJB. These payments will be the total budget available to provide the health and social care services that the EIJB will be responsible for. The change to how budgets are managed will take time to bed-in during 2015 to 2016.

NHS Lothian will 'set aside' an amount which represents the EIJB's share of large hospital budgets. This will be based on the City of Edinburgh's share of activity at Lothian hospitals.

The EIJB will decide on the use of this budget. The EIJB will use this budget to implement its strategic plan. In time, this will include the EIJB transferring some of the spending on hospital services to more health and social care services in communities.

The integration partners will report regularly to the EIJB on the use of their budget resource. The EIJB (with the integration partners) will produce a set of annual accounts each year.

### **Information sharing and complaints handling**

Users of social care services, patients, carers or staff members will want to know about what the joint arrangements are for dealing with events arising from the use of services, such as the sharing of personal information or complaints handling. The Integration Scheme outlines how we will do this to make it as easy as possible for people who use our services.

## **Part 2 : The Integration Scheme made clearer and our Key Questions**

### **What's covered in the Integration Scheme and what can you influence?**

Some of the arrangements for the integration of health and social care and the contents of the Integration Scheme cannot be changed as they became law when the Public Bodies (Joint Working) (Scotland) Act 2014 was passed or they are fixed by the statutory regulations and guidance that relate to the Act.

However, we are keen to hear your views on those parts of the Integration Scheme that can be decided on locally. Part two of this document summarises the content of the Integration Scheme, indicates which cannot be changed and asks for your views on those areas that can be decided on locally.

The reference to pages at each section is to the Draft Integration Scheme, for further information.

### **EIJB vision and ambitions – What we want to do.**

The vision and ambitions are decided locally

Key Question: What are your views about the vision and ambition for the EIJB?

**Section 1 - Parties and Definitions** (pages 6 to 8) – the ‘Parties’, (the organisations involved) are the City of Edinburgh Council and Lothian NHS Board. Definitions are what we mean by using certain words to describe certain things in the Integration Scheme e.g. ‘Act’ means the Public Bodies (Joint Working) (Scotland) Act 2014.

The organisations involved are fixed by the legislation, the definitions help interpret the contents of the Scheme.

Key Question: Are there any additional terms you think should be included in our list of definitions?

**Section 2 – Model** (pages 8-9) – this is the arrangement for governance that we are using to deliver integrated services. There are a limited number of options available to the Council and NHS Lothian as specified in the legislation. The Council and NHS Lothian prefer the Integrated Joint Board option.

The integration models are limited by legislation, although the model to be used is decided locally.

Key Question: What is your view about the strengths and weaknesses of the Integrated Joint Board option?

Key Question: How do you think it could work most effectively?

**Section 3 - Local Governance Arrangements** (pages 8 – 10)– the number of members to be appointed to the Board nominated by Council and by NHS Lothian, the Chairperson and Vice Chairperson arrangements, and non voting members.

The regulations set limits around the number of members and require certain members to be included.

**Section 4 - Delegation of Functions** (page 10) - these are the health and social care services from the Council and NHS Lothian which the EIJB will be responsible for. The legislation requires that we must delegate a list of specific functions and services for people aged over 18 years. These are all included in the lists on page 5 and 6 above. The legislation says that we 'may' delegate other functions, including functions for those aged under 18 years, criminal justice and housing functions. NHS Lothian has chosen to

## Appendix 2

delegate some additional functions for those under 18 years of age; these are detailed on page 6 above. The Council has chosen not to delegate any additional functions.

These matters are partially fixed by the legislation with some discretion for the Council and NHS Lothian.

Key Question: What are your views about the proposal not to delegate any of the additional functions?

**Section 5 - Local Arrangements to support Preparation of the Strategic Plan**  
(pages 10 – 11) – how the Strategic Plan arrangements will work.

Many of these matters are specified in guidance.

Key Question: How do you think the arrangements for strategic planning could be made to work most effectively?

**Section 6 - Local Operational Delivery** (pages 11- 20) – how the EIJB will oversee the delivery of services that will be carried out; details on how the planning arrangements will work within Edinburgh and in relation to other local areas; performance arrangements; and how support functions will be provided to the EIJB. The legislation requires that the EIJB takes account of the potential impact of its plan on that of other IJBs in the health board area.



Many of these matters are specified in guidance.

Key Question: How can we jointly deliver services in the most effective way to meet the needs of our community?

**Section 7 - Clinical and Care Governance** (pages 20 – 28) – a systematic approach to maintain and improve the quality of patient care within the areas that the IJB is responsible for in a community or certain health settings. The proposals are based on a range of what works in practice, other legislative requirements and must be adequate to ensure safe delivery of services.

Many of these matters are specified in existing legislation and guidance.

Key Question: How do you think clinical and care governance could be made to work most effectively?

**Section 8 - Chief Officer** – (page 29) this describes the Chief Officer’s role with the EIJB, and with the Council and NHS. The legislation requires that the Integration Authority must have a Chief Officer.

Many of these matters are specified in guidance.

Key question: How you think the role of the Chief Officer could be made to work most effectively?

**Section 9 - Workforce** – (page 29 – 30) a list of the plans that NHS Lothian and the Council undertake to develop and put in place to support staff who will deliver the services. The regulations require that we have certain plans in place.

Many of these matters are specified in guidance.

Key Question: What do we need to do to develop our staff to ensure integration is a success?

**Section 10 - Finance** – (pages 30 – 42) a range of measures, processes and procedures for the provision of funds to the Integration Authority, to ensure good governance of the funds and to ensure accountability of those funds in line with good public sector governance.

These arrangements are specified in the statutory regulations and guidance

**Section 11 - Participation and Engagement** – (pages 43 – 44) the processes to consult on the Scheme itself and to ensure ongoing engagement and consultation by the EIJB in the planning and delivery of services.

Some of these matters are specified in the legislation and guidance.

Key Question: How can we ensure the fullest participation and engagement of our communities in the planning and delivery of these services?

**Section 12 - Information Sharing and Data Handling** – (pages 44-45) - the arrangements for sharing information in a safe way between all relevant parties.

Some of these matters are specified in existing legislation and guidance.

Key Question: Please comment on what is most important to you about information sharing and data handling?

**Section 13 - Complaints** – (pages 45 – 46) the process to be used to handle complaints and to ensure it is as simple as possible for people who use our services.

Some of these matters are specified in existing guidance.

Key Questions: What is most important to you about the way we handle and respond to complaints?

**Section 14 - Claims Handling and Settlement** – (pages 46 – 47) - the process to manage the situation if anything goes wrong and the process for handling claims that are made against the parties.

This section is defined in relation to standard practice and common law.
--

**Section 15 - Risk Management** – (pages 47 – 48) the process to be followed to establish a risk management strategy for the Integration Joint Board to ensure that risks to services are well managed.

These matters are defined using best practice and existing guidance for risk management.

Key Question: What are your views on the proposed approach?

**Section 16 - Dispute Resolution** – (pages 48 – 49) - the process to be followed should there be any dispute between any of the parties.

These matters are defined using best practice for resolving a dispute. Please comment on the proposed approach.

**Any Other Comments**

Key question: Do you have any other comments on Part 1 - What is Changing or Part 2: The Integration Scheme made clearer?

# EDINBURGH INTEGRATION JOINT BOARD

## DRAFT INTEGRATION SCHEME

### Document 2 - Extract from Scottish Government website pages

#### National Health and Wellbeing outcomes

#### Integration Planning and Delivery Principles

#### National Health and Wellbeing Outcomes

The National Health and Wellbeing Outcomes are high-level statements of what health and social care partners are attempting to achieve through integration and ultimately through the pursuit of quality improvement across health and social care.

By working with individuals and local communities, Integration Authorities will support people to achieve the following outcomes:

**Outcome 1:** People are able to look after and improve their own health and wellbeing and live in good health for longer.

**Outcome 2:** People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.

**Outcome 3.** People who use health and social care services have positive experiences of those services, and have their dignity respected.

**Outcome 4.** Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.

**Outcome 5.** Health and social care services contribute to reducing health inequalities.

**Outcome 6.** People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.

**Outcome 7.** People using health and social care services are safe from harm.

**Outcome 8.** People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.

**Outcome 9.** Resources are used effectively and efficiently in the provision of health and social care services.



## Integration Planning and Delivery Principles

The integration planning and delivery principles are the lens through which all integration activity should be focused to achieve the [national health and wellbeing outcomes](#).

They set the ethos for delivering a radically reformed way of working and inform how services should be planned and delivered in the future.

The principles also set a clear tone for both the national guidance and local implementation of the [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#).

The main purpose of the integration planning and delivery principles is to improve the wellbeing of service-users and to ensure that those services are provided in a way which:

- Are integrated from the point of view of service-users
- Take account of the particular needs of different service-users
- Takes account of the particular needs of service-users in different parts of the area in which the service is being provided
- Take account of the particular characteristics and circumstances of different service-users
- Respects the rights of service-users
- Take account of the dignity of service-users
- Take account of the participation by service-users in the community in which service-users live
- Protects and improves the safety of service-users
- Improves the quality of the service
- Are planned and led locally in a way which is engaged with the community (including in particular service-users, those who look after service-users and those who are involved in the provision of health or social care)
- Best anticipates needs and prevents them arising
- Makes the best use of the available facilities, people and other resources

# EDINBURGH INTEGRATION JOINT BOARD

## DRAFT INTEGRATION SCHEME

### Document 3 - Respondent Information Form

**Please Note** this form **must** be returned with your response to ensure that we handle your response appropriately.

#### 1. Name/Organisation

Organisation Name

Title Mr  Ms  Mrs  Miss  Dr  Please tick as appropriate

Surname

Forename

#### 2. Postal Address

<input type="text"/>		
<input type="text"/>		
<input type="text"/>		
<input type="text"/>		
Postcode	Phone	Email

#### 3. Permissions - I am responding as...

Individual / Group/Organisation

Please tick as appropriate

(a) Do you agree to your response being made available to the public (in a report to the City of Edinburgh Council and/or on the City of Edinburgh Council web site)?

Please tick as appropriate

Yes  No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick **ONE** of the following boxes

(c) The name and address of your organisation **will be** made available to the public in a report to the City of Edinburgh Council and/or on the City of Edinburgh Council (in web site).

Are you content for your **response** to be made available?

Please tick as appropriate

Yes  No

Yes, make my response,  name and address all available

or

Yes, make my response  available, but not my name and address

or

Yes, make my response  and name available, but not my address

(d) We will share your response internally with other City of Edinburgh Council policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the City of Edinburgh Council to contact you again in relation to this consultation exercise?

Please tick as appropriate

Yes

No

#### 4. Additional information – I am responding as:

Please tick as appropriate

1. NHS Organisation other than NHS Lothian	
2. General Practitioner	
3. Local Authority other than the City of Edinburgh Council	
4. Other statutory organisation	
5. Third sector care provider organisation	
6. Independent / private care provider organisation	
7. Representative organisation for professional group	
8. Representative organisation for staff group e.g. trade union	
9. Education / academic group	
10. Representative group for patients / care users	
11. Representative group for carers	
12. Patient / service user	
13. Carer	
14. Other – please specify	

## EDINBURGH INTEGRATION JOINT BOARD

### DRAFT INTEGRATION SCHEME

#### Document 4

#### Equal Opportunities Monitoring Form

The Council is committed to ensuring involvement of the diverse communities that use our services. It is vital that we monitor and analyse diversity information so that we can ensure that our consultation processes are fair, transparent and promote equality of opportunity. Please help us by providing us with accurate data which will help us ensure that we, not only meet our legal obligations, but even more importantly will result in us designing and applying policies that are anti-discriminatory. Any information provided on this form will be treated as strictly confidential and will be used for statistical purposes only. No information will be published or used in any way which allows any individual to be identified.

**Gender** Male  Female

**Are you married or in a civil partnership** Yes  No

**Age** 16-24  25-29  30-34  35-39  40-44  45-49  50-54  55-59  60-64   
65+

Prefer not to say

#### **How would you describe your national identity?**

English  Welsh  Scottish  Northern Irish

British  Other  Prefer not to say

#### **What is your ethnicity?**

Ethnic origin categories are not about nationality, place of birth or citizenship. They are about the group to which you as an individual perceive you belong. Please indicate your ethnic origin by ticking the appropriate box.

##### ***White***

English  Welsh  Scottish  Northern Irish

Irish  Gypsy or Irish Traveller  Other White background

##### ***Mixed/multiple ethnic groups***

White and Black Caribbean  White and Black African

White and Asian  Any other mixed background

##### ***Asian/Asian British***

Indian  Pakistani

Bangladeshi  Chinese

Any other Asian background

##### ***Black/ African/ Caribbean/ Black British***

African  Caribbean

Any other Black/African/Caribbean background

**Other ethnic group**

Arab  Any other ethnic group

**Prefer not to say**

**Do you consider yourself to be disabled?** Yes  No  Prefer not to say

*Any information you provide here will be used for monitoring purposes only – if you need a ‘reasonable adjustment’, then please follow the additional separate process. We will take reasonable steps to meet your particular needs.*

**What is your sexual orientation?**

Heterosexual/straight  Gay woman/lesbian

Gay man  Bisexual  Transgender

Other  Prefer not to say

**What is your religion or belief?**

No religion  Buddhist  Christian

Hindu  Jewish  Muslim

Sikh  Any other religion  Prefer not to say

**Do you have caring responsibilities? If yes please tick all that apply**

None

Primary carer of a child/children (under 18)  Primary carer of disabled child/children

Primary carer of disabled adult (18 and over)  Primary carer of older person (65+)

Secondary carer  Prefer not to say

**Thank you for completing this form.**

## CONSULTATION PLAN: INTEGRATION SCHEME

January 2014

### 1. BACKGROUND/KEY MESSAGES

- The Scottish Government has introduced the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act). The Act requires Health Boards and Local Authorities to integrate planning for, and delivery of, certain adult health and social care services
- The Act requires them to prepare jointly an integration scheme setting out how this joint working is to be achieved.
- This consultation plan sets out the arrangements for consultation on the draft Integration Scheme for NHS Lothian and the City of Edinburgh Council (the 'Parties').
- Since 2012 there a Shadow Edinburgh Health and Social Care Partnership Board or Integration Joint Board has been meeting.
- The vision of the Parties for the Edinburgh Integration Joint Board is; '*Working together for a caring, healthier, safer Edinburgh*'.
- The ambition for the Edinburgh Integration Joint Board is as follows:
  - In Edinburgh, the successful integration of health and social care will mean that people experience improved health and wellbeing; and that inequalities, including health inequalities, are reduced.
  - Services will always be planned with and around people and local communities, who will be active partners in the design, delivery and evaluation of these services.
  - We will develop, train and support staff from all organisations to work together to respond appropriately to meet people's needs.
  - We will use our shared resources, in the most cost effective way to achieve better outcomes for people, and to allow public funds to go further to meet demand.
  - The Integration Joint Board will work in partnership with the City of Edinburgh Council, NHS Lothian, third sector organisations, independent sector providers and most importantly people and their wider communities, to deliver improved health and social care services for the people of Edinburgh.

## **2. AUDIENCES AND METHODS FOR CONSULTATION**

### **Stakeholders/Key Audiences and methods**

The integration of health and social care potentially has a far reaching impact on a wide range of people, including patients, service users and unpaid carers, staff, governing bodies of the two agencies, partner organisations and politicians.

It is important for NHS Lothian and the Council ensure that a thorough and active dialogue is undertaken with key groups and citizens, in order for the two agencies to take an informed decision on the final Integration Scheme for Edinburgh.

To ensure this is an effective consultation, key groups have been identified to ensure their experiences and knowledge is taken into account. There will need to be a range of consultation tools to ensure all groups are able to participate in the consultation. However, the main method will be to use the Council's 'Citizens Space' web site, which provides a Consultation Hub, developed to allow a 'we asked, you said, we did' approach to consultation. Participants will have a range of options. They will be able to complete the online questionnaire, download it and return by email or freepost. There will also be some opportunities to participate in regular group sessions, where the consultation will be added to agendas.

This method will be supported by a comprehensive communications plan, also incorporated in the Action Plan part of this document.

### **Timescale, methods and responsibilities of senior managers**

As with most consultations involving groups, consultation sessions will take place as additional items on meeting agendas. However because of the one month timescale for consultation over the winter period, and the tendency of some stakeholder/key audience groups not to meet within this timescale, much of the communications will be done electronically by email with partner organisations. In addition, the senior managers who have the lead for the key audiences listed will have the responsibility of ensuring meeting agendas include consultation on the Integration Scheme within the consultation period.

We will be approaching our key partners, (mainly voluntary sector providers of services) to offer support to allow them to prepare for the consultation in advance where participants may need some additional support.

The consultation will be subject to an Equalities and Rights Impact Assessment.

### **The Shadow Strategic Planning Group**

A Shadow Strategic Planning Group has been formed for the purposes of consultation on the Integration Scheme, the production of the Strategic Plan and the Participation and Engagement Strategy. This work will be achieved using a collaborative approach.

In the longer term, the purpose of the Group will include, the monitoring of the implementation of the Strategic Plan and both an advisory and active role in the undertaking of future participation and engagement

In most cases members will conduct consultation and engagement within an agreed approach to each undertaking. Officer support will be given to individual members to connect with their wider constituencies, if individual members are unable to do so independently.

The wider constituency of many members will include patient, unpaid carers and public groups and networks

The list of individuals and their wider constituency who will be consulted on the Integration Scheme is as follows:

<b>Member</b>	<b>Wider constituency</b>
Health care member of the Professional Advisory Committee	Professional Advisory Committee
Social care member of Professional Advisory Committee	Professional Advisory Committee
Non-voting service user rep from Shadow Partnership Board (health care)	Patients Council
Non-voting service user rep from Shadow Partnership Board (adult social care)	Networks of service users and carers
Non-voting carer rep from Shadow Partnership Board ( health)	Carers' networks
Non-voting carer rep from Shadow Partnership Board (adult social care)	Carers' networks
Officer or member of Scottish Care	Scottish Independent care providers
Representative from a third sector provider of non-commercial providers of health care	EVOC Named charities
Representative from a third sector provider of social care	Third sector providers of social care
Member of Edinburgh Affordable Housing Partnership	Edinburgh Affordable Housing Partnership
Rep of Third sector organisations carrying out activities related to health or social care	EVOC
Representative from one neighbourhood partnership in each locality	Neighbourhood Partnerships
Commercial providers of health care	Internet

### **Key Participants - Groups and Fora that represent a combination of staff, services users, unpaid carers service providers and constituent authority governance arrangements**

All Council members  
 All Health Board members  
 Edinburgh Partnership Board  
 Shadow Health and Social Care Partnership



Edinburgh Alcohol and Drugs Partnership  
Reducing Re-offending Partnership

**Providers:**

Mental Health and Substance Misuse services providers  
Disability services providers  
Care at Home providers  
Care home providers  
Care at Home Providers  
Scottish Care  
Coalition Care Providers

**Planning Fora and Groups:**

Joint Mental Health planning forum \*  
Dementia Delivery Group  
Older People's Management Group \*  
Carer Support Hospital Discharge Steering Group  
Carers strategic planning group \*  
Planning and Commissioning Officers  
Edinburgh (Learning Disability) Plan Advisory Group Health & Social Care \*

\*These groups also have service user representatives

**Service Users and Carers Groups: (please note that all of these groups may be involved in the planning of services)**

Autism Champions  
Young Carers Action Group  
VolunteerNet  
Edinburgh Carers Reference Group  
Carers Network  
Housing and Care Group  
Network/Core Group (for Personalisation) of service users and carers  
Mental Health & Wellbeing Forum  
Public Partnership Fora  
Edinburgh Partnership Equality Network  
LGBT Age Capacity

**Staff and Management Groups:**

General cascade briefing/email for all staff  
Departmental Joint Consultative Committee  
Council Partnership at work Forum  
NHS Lothian Partnership Forum  
Health & Social Care Senior Management Team  
Black and Minority Ethnic Workers Forum  
Discharge Hubs  
Social work sector and hospital teams managers  
Older People and Disabilities Managers  
Integrated Carers Team  
Mental Health Service Managers

Criminal Justice Service Managers  
Quality and Standards Managers  
Business Development Managers  
Contracts Team  
Joint Consultative Forum/ DJCC/Trade Unions

Open staff meetings at key sites – RIE/WGH/AAH/Liberton  
Staff open sessions (perhaps one on each hospital site in Edinburgh)  
Offer to attend other sessions.

**Health Board and Council Governance:**

Acute Hospitals Committee  
General Practitioners Sub Committee  
Lothian Medical Committee  
CHP committees (e.g. Primary Care)  
NHS Lothian Finance and Resources Committee  
NHS Lothian Staff Governance Committee  
NHS Lothian Healthcare Governance Committee  
NHS Lothian Strategic Planning Committee  
Council Finance and Resources Committee  
Council Health, Social Care and Housing Committee  
Council Education, Children and Families Committee  
Council Administration and opposition  
Governance Review and Best Value Committee (Audit)  
Internal Audit of Council and NHS Lothian  
Corporate Programme Office of Council – and relevant programmes e.g. BOLD

**Other External Audiences :**

Other Local Authorities in Lothian  
Criminal Justice Authority Board  
MSPs and MPs  
Scottish Government Health and Social Care Ministers  
Scottish Government Joint Improvement Team  
Community Planning Partnerships  
Scottish Government Health Department  
Third Sector via TSIs – EVOC, Compact  
External Audit of NHS Lothian and Council  
SSSC  
Care Inspectorate  
Relevant professional clinical and care bodies  
National Service User Organisations  
National Carer Organisations  
National Commercial Providers

### 3. CONSULTATION AND COMMUNICATION ACTION PLAN

TASK	METHOD	LEAD OFFICERS	TIMING
Agree draft Integration Scheme	Chief Officer Oversight Group	Susanne Harrison/Jamie Megaw	December
Draft consultation document	Officer project team meeting	Officer Project Team	December
Report draft Integration Scheme and consultation proposals, including consultation questions to NHS Board and Council Committee	Draft covering report and agree supporting documentation	Susanne Harrison/Jamie Megaw	14 January (NHS Board) 20 January (Committee)
Draft easy to read version of questionnaire and response sheet for face to face use.	Officer joint approach	Project team	Week beginning 5 January
Identification of lead senior managers for each key audience		Dorothy Hill/Jamie Megaw	Week beginning 5 January
Advice for lead senior managers of their responsibility and arrangements for ensuring participation of their stakeholder groups/key audiences.	Advise by email communication with links to the Citizen Space (Consultation Hub) site. Provide offer of support to managers Prepare powerpoint presentation for group sessions	Dorothy Hill	Week beginning 5 January
Draft email communication for all identified groups		Dorothy Hill/Jamie Megaw	Week beginning 5 January
Load consultation questions and embed draft Integration scheme onto the Citizen Space site	Staff resource trained in use of site	Dorothy Hill/Jamie Megaw/Susanne Harrison	Following approval at NHS Board and Committee

<b>Launch Consultation</b>	<b>Joint press release All staff email Links on both NHS and Council intranets Council Leader's report</b>		<b>15 January</b>
Inform all stakeholder/audience groups	Email or agendas circulated by senior managers identified	Dorothy Hill/Jamie Megaw	On launch date
Undertake consultation sessions	Stakeholder/key audience meetings	Senior managers	From mid January-mid February
Send reminders at regular intervals during the consultation period	Email	TBC	
Monitor responses on the Consultation Hub Platform	Use of consultation site functionality	Dorothy Hill	Throughout consultation
Capture raw data from the site	Use of consultation site functionality	Dorothy Hill	At the end of the consultation period
Collect paper responses		Dorothy Hill/Jamie Megaw	At the end of the consultation period
Analysis of responses and report	TBC	TBC	At the end of the consultation period
Report back to Chief Officers Oversight Group	Meeting of Chief Officers Oversight Group	Dorothy Hill/Susanne Harrison/Jamie Megaw	At the end of the consultation period
Report to NHS Board and Council	Dates in March	Susanne Harrison/Jamie Megaw	At the end of the consultation period
Post outcome of the consultation on the Citizen Space site		Dorothy Hill	Once report agreed by the NHS Board and Council
Communicate by email the decision of the NHS Board and Council to participant stakeholder/key audience groups	Through responsible senior managers	Dorothy Hill/Jamie Megaw	Once report agreed by the NHS Board and Council

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## Health and Social Care Financial Position 2014/2015

<b>Item number</b>	7.2
<b>Report number</b>	Second update report
<b>Executive/routine</b>	
<b>Wards</b>	All

### Executive summary

---

The Council's Health and Social Care budget remains under significant pressure with an estimated forecast out-turn of £4.75m after delivery of mitigating actions of £2.3m.

There are inherent risks in these projections in that movements in purchasing budgets can be volatile in response to client led demands.

### Links

---

<b>Coalition pledges</b>	<a href="#">P30</a>
<b>Council outcomes</b>	<a href="#">CO25</a>
<b>Single Outcome Agreement</b>	<a href="#">S01</a> , and <a href="#">S02</a>

## Adult Social Care Budget Pressures, 2014/15: Further Update

### Recommendations

- 1.1 To note that Health and Social Care are on target to deliver £2.3m of mitigating actions of £2.6m savings with £0.3m at risk.
- 1.2 To note these figures include further measures proposed by Health and Social Care of £0.793m.
- 1.3 To note that the revised projected out-turn on the Health and Social Care Account is £4.75m. This is prior to any possible contributions from the Council's Priorities Fund.
- 1.4 To note the table below which analyses the pressure of £4.75m

Service	£'000	Description of pressure
Care Home staffing	1,000	Increasing dependency levels of residents in CEC Care Homes, requiring increased staffing, as admissions are focussed on people with the highest levels of need
Respite income	800	The Carers ( <i>Waiving of Charges for Support</i> ) ( <i>Scotland</i> ) Regulations 2014 now prevent local authorities from charging for support to carers, such as respite care.
Increase cost of spot purchase	200	Additional cost of high dependency Care Home placements
Care at Home	3,340	Growth in Care at Home to meet demographic and unscheduled care pressures.
Care Packages	1,710	Care packages to support people in their own homes
<b>Total pressures</b>	<b>7,050</b>	
Mitigating action phase 1	1,505	£1.805m less £0.3m at risk of delivery
Mitigating action phase 2	793	Assumes full delivery
Estimated forecast outturn	4,752	

### Background

- 2.1 At its meeting on 15 January the Committee considered a report by the Director of Health and Social Care on *Adult Social Care Budget Pressures, 2014/15: Update* which confirmed a projected overspend of £5.340 million (2.6%) in the £204.5m Health and Social Care net budget by the end of this financial year, as previously reported to Committee on 27 November. The projected overspend

related to increased dependency levels in care homes, the loss of income from new legislation waiving charges for carers, growth in purchased care home high dependency packages, and growth in care at home to meet demographic and unscheduled care pressures.

- 2.2 The report set out management controls to reduce expenditure by £2m. Committee agreed £1.805m of these management controls. The Committee also discussed the risks associated with further increases in expenditure to the year end.
- 2.3 The recommendations were approved, including an additional recommendation: To agree that the Director of Health and Social Care would bring a report to the Finance and Resources Committee on 3 February 2015 on the risks of any further overspend in the Adult Health and Social Care Budget.

## Main report

---

### Management action to control budget overspends

- 3.1 As reported previously to Committee, Management actions to deliver a reduction in expenditure of £1.805m have been identified. The Department is on target to achieve £1.5m of these reductions. Items 1 and 3 will not be fully achieved however, they have been substituted with increased savings in the other actions, particularly training and contract savings, which are yet to be evidenced

Budget control action		£'000
1	Review of high cost packages, respite and day care packages and escalation of panel authorisations	360
2	Review equipment service criteria, cease minor aids that are available from commercial sources.	50
3	Tighten criteria for funding transport to disabilities day care services, excluding users who qualify for mobility cars or receiving DLA higher rate for mobility needs from which taxis could be funded.	60
4	Further restrictions on non-staffing budgets	100
5	Further staffing budget restrictions, including new Care Home rotas, management of agency and overtime, review of temporary staff and secondments, and phasing recruitment to essential vacancies.	630
6	Quality and Standards – reduced training budgets	118
7	Review policy re waiving of charges for respite	100
8	Revised estimates of income, including income from residential care charges	137
10	Step Down - do not let 10 beds due in December (3 months savings)	110
11	One off contract savings	140
<b>Total savings</b>		<b>1.805</b>

- 3.2 Staff are aware of the seriousness of the Health and Social Care overspend and, throughout the year, have been looking at a range of actions to restrict expenditure, including:-
- Strict staffing controls including limiting recruitment to front-line care staff, review of all agency, temporary contracts and use of overtime.
  - Introduction of 12-hour rotas in care homes for older people
  - Overview of size of packages of care
  - Contract compliance
- 3.3 The management controls on the staffing budget will ensure that our staffing budget of £103m is in balance.
- 3.4 The introduction of 12-hour rotas in care homes from January 2015 has already started to demonstrate a reduction in agency costs.
- 3.5 A letter has been issued to staff seeking expressions of interest in voluntary early release, reduction in working hours and unpaid leave. This measure is likely to have more of an impact in 2015/2016. Given the level of savings required in 2015/2016, it is important to deliver a reduction in the head count as soon as possible.

### **Pressures**

- 3.6 The biggest pressure is on our purchased care budget, which currently is projected to overspend by £6m. This is also the area of highest risk in relation to further increases in expenditure. Committee will be aware of the increased demand for care at home, with an increase of 12% per annum.
- 3.7 Adult social care legislation requires the Council to assess the needs of all adults who appear to be in need of community care services, and then decide whether the assessed needs call for the provision of services. In practice, this means deciding whether the person's needs are of a sufficient level of risk to health and wellbeing as to meet the Council's agreed eligibility criteria for adult social care.
- 3.8 Councils may take their resources into account in two ways: generally in deciding the level at which they set eligibility criteria, and for specific individuals only where there are different ways, with different costs, in which their assessed needs can be met equally effectively, taking into account their views and wishes, and those of any unpaid carers.  
The Council, in common with most other Scottish local authorities, has set its eligibility criteria at the substantial and critical level, as defined by Scottish Government Guidance.
- 3.9 It is not proposed to move our eligibility criteria from critical and substantial however, due to the financial pressures in this financial year and next financial year, we need to undertake a review of the level of support we are able to offer



individuals. This will take into account our ability to support the assessed needs of the individuals. As there is now only eight weeks to the end of the financial year, this review is unlikely to deliver significant savings in 2014/2015 however, it should contribute significantly to our pressures in 2015/2016.

### **Further Action to Reduce Expenditure**

- 3.10 Since the report to committee in January, Health and Social Care has identified a further £0.793m of savings through additional funding sources, staffing controls and non-staffing budgets. This includes a contribution of £0.35m from the Scottish Government, which was confirmed on the 27<sup>th</sup> January, towards the cost of winter pressures and improved performance in delayed discharge.
- 3.11 The corporate management team has recognised the significant pressures facing Health and Social Care as a consequence of increasing demand and demographics. Given the seriousness of the financial position, the corporate management team is keen to support Health and Social Care in the management of this financial pressure. All Departments have reviewed their expenditure to see whether it is possible to contribute savings to support the overspend.
- 3.12 The revised projected expenditure, taking into account the above actions, and taking into account the commitments as at 27<sup>th</sup> January 2015, is a projected overspend of £4.75m.

### **Measures of success**

---

- 4.1 Reduction in projected budget overspend.

### **Financial impact**

---

- 5.1 This is covered in the main report.

### **Risk, policy, compliance and governance impact**

---

- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with costs pressures, increased demand – particularly over the winter period – and delivering savings targets are regularly monitored and reviewed and management action is taken as appropriate.

### **Equalities impact**

---

- 7.1 Measures to reduce budget overspends are likely to increase waiting lists for services for older and people with disabilities.

### **Sustainability impact**

---

- 8.1 No impacts on sustainability.

## Consultation and engagement

---

- 9.1 This report reflects consultation with NHS Lothian, but timescales have precluded consultation with other key stakeholders.

## Background reading/external references

---

[Finance and Resources Committee, 27 November 2014. Report by the Director of Health and Social Care on Adult Social Care Budget Pressures, 2014/15.](#)

[Finance and Resources Committee, 15 January 2015. Report by Director of Health and Social Care: Adult Social Care Budget Pressures, 2014/15: Update](#)

### Peter Gabbitas

Director of Health and Social Care

Contact: Mike Brown, Strategic Policy and Performance Manager

E-mail: [mike.brown@edinburgh.gov.uk](mailto:mike.brown@edinburgh.gov.uk) | Tel: 0131 553 8302

## Links

---

<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO25 – The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	None

---

# Finance and Resources Committee

10.00am, Tuesday 3 February 2015

## Revenue Budget 2015/18 – further update

Item number	7.3
Report number	
Executive/routine	
Wards	

### Executive summary

---

This short report advises members of a number of further issues for consideration in setting the Council's 2015/16 revenue budget as part of a longer-term framework on 12 February.

### Links

---

Coalition pledges	P30
Council outcomes	CO25
Single Outcome Agreement	n/a

## Revenue Budget 2015/18 – update

### Recommendations

---

- 1.1 Members of the Finance and Resources Committee are requested to note the issues for consideration outlined within the report and to remit the contents to Council as part of setting the 2015/16 revenue budget on 12 February 2015.

### Background

---

- 2.1 At the Finance and Resources Committee meeting on 15 January, members were advised of a number of changes affecting budget framework planning assumptions and wider pressures and commitments impacting on the content of the 2015/16 budget. In particular, the report noted that, following the announcement by the UK Treasury of increased employers' contribution rates for the teachers' pension scheme effective from September 2015, provision had been made for an estimated additional liability in 2015/16 of £1.8m.
- 2.2 Following a review of loans charge forecasts, however, a recurring offsetting savings opportunity had been identified, leaving the overall position in line with that reported to the Finance and Resources Committee on 30 September 2014 i.e. potential overall revenue "headroom" of up to £6.5m in 2015/16, subject to approval and delivery of all framework savings proposals (including those savings approved for delivery in 2015/16 as part of previous years' budget motions) and management of risks and pressures.
- 2.3 The report furthermore noted that additional details of the Scottish Government's allocation of the favourable Barnett Consequentials arising from the Chancellor's Autumn Statement were awaited. Subsequent clarification has been received around the allocation of £95m of the total confirmed additional resources of £127m to be provided to health services in Scotland in 2015/16. NHS Lothian's share of the £65m of Scotland-wide funding for health services announced on 11 January has been confirmed as £4.9m.
- 2.4 In addition, the Scottish Government has now announced that a further £30m of the favourable Barnett Consequentials will be used as part of a three-year, £100m programme of investment to reduce the number of people waiting to be discharged from hospital. The Edinburgh area's approximate share of this sum is £2.5m, with the sum paid, in the first instance, to NHS Lothian.
- 2.5 Any direct or indirect impacts for the Council resulting from application of this additional funding will be reported to the Committee once confirmed.

### **Council Priorities Fund**

- 3.1 Members of the Committee will be aware from the report elsewhere on today's agenda that the Director of Health and Social Care has intimated a potential overspend, net of proposed mitigating actions, of some £4.75m in 2014/15.
- 3.2 On 15 January, the Committee considered a report on the Council's risks and reserves as part of the wider budget-setting process. Appendix 2 of that report indicated the anticipated movement on a number of specific funds, including the Council Priorities Fund. This analysis set out a projected fund balance of £6.6m as of 31 March 2015, and commitments thereon in 2015/16 of £3.6m.
- 3.3 Whilst further measures to reduce the level of overspend within Health and Social Care continue to be examined as a matter of urgency, it is proposed to allocate up to £3m of the remaining balance to meet an element of the projected overspend in 2014/15. Drawdown of this level of funding would result in a position whereby the Council Priorities Fund is now fully committed. At the same time, and subject to the management of risks and pressures affecting other service areas and corporate budgets, it would allow the unallocated General Fund reserve to be maintained at the level underpinning the Council's longer-term financial strategy.
- 3.4 Members are also asked to note the existing allocation within the Council Priorities Fund (and thus reflected within the balances reported to the Committee on 15 January) of £2.25m for the anticipated costs associated with the legacy Statutory Notice service in 2015/16.

### **Lothian Buses dividend**

- 3.5 Members will be aware that, as the primary shareholder of Lothian Buses Ltd, subject to the company's continuing profitability, the Council receives an annual dividend. The Lothian Buses Board has now confirmed that in light of the overall level of dividend declared, £5m is payable to the Council in respect of the financial year ended 31 December 2013. The additional level of dividend relative to 2014/15 budget assumptions of £2m this represents will be placed in an earmarked reserve and may be applied, should members so wish, as part of setting the 2015/16 revenue budget.

### **Shared Repairs Service**

- 3.6 Members are reminded that Council approval has been given, subject to the identification of corresponding funding as part of the budget motion, to the establishment of a new Shared Repairs Service, the full-year cost of which is estimated at £2.16m in 2015/16.

## **Organise to deliver – Better Outcomes through Leaner Delivery (BOLD) business cases**

- 3.7 The Finance and Resources Committee meeting of 15 January approved the taking forward of a number of transformation-themed BOLD business cases. Across the four workstreams, these cases set out potential gross annual savings of up to £49m by 2019/20. An element of these savings will accrue to the Housing Revenue Account, whilst others will contribute to meeting savings either previously approved by Council or included within the 2015/16 framework proposals.
- 3.8 While the primary focus of the Council's budget framework is currently on the three-year period to 2017/18 (over which time an overall additional savings requirement of £67m has been identified), indicative planning estimates are also in place for the following two years. Demographic and inflationary-related pressures will continue to affect the Council's budget over this period, reinforcing the need to seek out not just greater efficiency but increasingly prioritise activity according to its contribution to key policy outcomes.
- 3.9 Estimates of available funding over this longer timeframe are inherently more speculative. There is a need to reflect not just trends in wider public expenditure (and revised fiscal rules introduced by the UK Coalition Government in December 2014, under which there may be greater discretion in the level of spending reduction applied to address the underlying structural deficit) but also the potential influence of revised constitutional arrangements arising from the implementation of the Smith Commission's recommendations.
- 3.10 Over the five-year period to 2019/20, the Council's overall savings requirement, based on an assumed continuation of the Scottish Government's current 3% efficiency savings target, is over £100m. On that basis, the BOLD proposals, whilst making a significant overall contribution to addressing this gap, would address, at best, half of this requirement.
- 3.11 This requirement for further savings plans notwithstanding, the report to this Committee on 15 January identified a need for up to £2.9m of BOLD project management funding. In view of the crucial importance of this upfront investment in realising savings in subsequent years, it is recommended that, subject to ratification by Council, corresponding funding be made available from the ICT efficiencies fund. Based on the existing schedule of planned commitments and repayments, this sum can be accommodated within the overall fund balance.
- 3.12 The Channel Shift business case also indicated a requirement for up to £3m of upfront ICT capital investment to realise the full benefits set out. Members are asked to consider this requirement as part of setting the 2015/16 budget.

### **Management of pressures**

- 3.13 The previous update report to this Committee indicated that the Director of Health and Social Care and Acting Director of Services for Communities had

been instructed to develop proposals to return their services' budgets to a sustainable footing based on the level of resources underpinning their respective resource allocations.

- 3.14 Having reviewed the projected pressures and identified a range of proposed mitigating measures, the Acting Director of Services for Communities has now given assurance that these can be contained within the service's overall budget in 2015/16 as set out in the budget framework.
- 3.15 The Director of Health and Social Care has undertaken a similar assessment but at this time, the level of identified mitigating actions falls short of that required to balance the budget, leaving a residual shortfall of £5.5m which members may therefore wish to consider as part of the 2015/6 budget-setting process. It should be noted, however, that as in the current year, a number of these mitigating actions will require to be discussed further with NHS Lothian colleagues. The Director will continue to develop proposals to reduce the projected 2015/16 overspend, and a further update will be provided in advance of the Council meeting on 12 February 2015.

## Measures of success

---

- 4.1 Relevant measures in setting the Council's revenue budget include:
- Accurate capturing and quantification of the key determinants of the Council's overall expenditure requirement and available sources of income, allowing a balanced overall budget for 2015/16 to be set as part of a longer-term framework;
  - Development of savings and investment options aligned to the Council's priority outcomes, with due opportunity provided for public consultation and engagement; and
  - Subsequent delivery of the approved savings, particularly where these are linked to additional service investment.

## Financial impact

---

- 5.1 Inclusion of additional revenue investment within the budget framework is contingent upon the development, and subsequent delivery, of corresponding savings, alongside management of all risks and pressures, particularly those of a demand-led nature.

## Risk, policy, compliance and governance impact

---

- 6.1 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the anticipated service impacts

outlined in the respective budget templates.

## Equalities impact

---

- 7.1 Those proposals comprising the budget framework have been assessed for their corresponding potential equalities and human rights impacts. The results of these assessments are summarised elsewhere on this agenda and will be referred to Council to ensure that members pay due regard to them in setting the Council's 2015/16 budget on 12 February 2015.

## Sustainability impact

---

- 8.1 The proposals comprising the budget framework have also been subject to an assessment of their likely corresponding carbon impacts. As with the equalities impacts, the results of these assessments are summarised elsewhere on this agenda and will be referred to Council to ensure that members pay appropriate regard to them in setting the Council's 2015/16 budget on 12 February 2015.

## Consultation and engagement

---

- 9.1 The contents of the budget framework have been the subject of considerable public and stakeholder engagement. The budget planner, in particular, has brought together the revenue and capital aspects of the budget and provided additional insight into the priorities of the city's residents. A summary of the main themes emerging from the public engagement is included in a separate report on today's agenda.

## Background reading/external references

---

[Revenue Budget 2015/18 Update](#), Finance and Resources Committee, 15 January 2015

[Revenue Budget 2015/18 and Capital Budget 2015/2020 – update](#), Finance and Resources Committee, 27 November 2014

[Revenue and Capital Budget Framework](#), Finance and Resources Committee, 30 September 2014

[2015/18 Revenue and Capital Budget Update](#), Finance and Resources Committee, 7 May 2014

### **Alastair D Maclean**

Director of Corporate Governance

Contact: Hugh Dunn, Head of Finance

E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150



## Links

---

<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO25 – The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	n/a
<b>Appendices</b>	None

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## Council Revenue Budget Framework 2015/18 – Impact Assessments

Item number	7.4
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report presents a summary of the main potential equality and rights impacts of proposals described within the draft Revenue Budget Framework 2015/18, and identifies recommendations for mitigating any potential negative equality and rights impacts.

It also provides a summary of carbon impact assessments of revenue budget proposals.

In addition, a brief analysis is provided of the results of prevention and partnership impact assessments, which were undertaken for the first time.

### Links

---

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

## Council Revenue Budget Framework 2015/18 – Impact Assessments

### Recommendations

---

- 1.1 Members of the Finance and Resources Committee are recommended to:
  - 1.1.1 Pay due regard to the potential equality and rights impacts associated with the revenue budget 2015/18 options, and the recommendations to mitigate potential negative impacts.
  - 1.1.2 Consider the cumulative equality and rights impacts across all revenue budget options.
  - 1.1.3 Note the summary analysis of carbon, prevention and partnership impact assessments of revenue budget options.
  - 1.1.4 Refer this report for consideration at the Council budget meeting on 12 February 2015.

### Background

---

- 2.1 The Council's Draft Revenue Budget Framework 2015/18 sets out a series of savings, and additional income proposals. This report presents a summary of equality and rights impact assessments (ERIA) of these proposals, and of associated mitigating actions to address negative impacts, all of which should inform the budget decision taken on 12 February 2015.
- 2.2 Under the 'Framework to Advance Equality and Rights 2012-2017', the Council is implementing a five year corporate programme of ERIA. The programme is comprised of ongoing ERAs of all relevant existing policies and services, and any proposed changes to policies and services. Budget proposals and decisions are a key feature of this programme.
- 2.3 As well as meeting the requirements of the Equality Act 2010 public sector equality duty, and human and children's rights conventions, ERIA enables the Council to assess the positive and negative impacts on vulnerable citizens, equalities groups in the city and Council staff. It also enables the development of mitigating actions to counteract negative impacts.
- 2.4 In addition, the report provides a brief summary of carbon, prevention and partnership impact assessments of revenue budget proposals. It should be noted that prevention and partnership impacts of draft revenue budget proposals were considered systematically for the first time by council officers.

- 3.1 In line with their responsibility for ERIA activity, under the 'Framework to Advance Equality and Rights 2012-2017, each council service area undertook a summary ERIA of their respective revenue budget options, utilising a council template specifically designed for the budget process. It should be noted that this template differs from the standard full ERIA template, which is more detailed. Consequently, some recommendations refer to undertaking further detailed ERIA work, if options are approved.
- 3.2 Support and advice was provided to staff by the Equality and Rights Lead Officers in each service area. Completed templates were returned to Corporate Governance, which co-ordinates the whole ERIA programme, and provides summary analysis. Copies of completed budget ERIA templates are available to members for more detailed consideration.
- 3.3 Information gathered from the budget engagement process was used as evidence to inform the ERIA analysis of the budget options. In addition, individual lead officers may have undertaken specific engagement activity with staff, service users or representative groups to inform their respective ERIs.
- 3.4 In total, there are over 150 individual savings or additional income proposals contained within the draft 2015/18 budget framework. In order to facilitate necessary implementation planning, and allow for public engagement to focus on those proposals most affecting frontline services, some sixty "early approval" proposals were considered by Council on 23 October 2014. The potential equalities and rights and carbon impacts of these proposals were reported to Council as part of that consideration to ensure that members paid due regard to these issues, and the proposed mitigating actions, in reaching their decisions.
- 3.5 Of the proposals considered by Council, the majority were approved for implementation, with a remaining four referred on to form part of the full public budget consultation exercise. These proposals are thus included within the scope of this report.
- 3.6 There are a number of proposals which may impact negatively on equality and rights if approved. However, there is a range of mitigating actions in place to address such impacts, and further impact analysis is planned for some proposals if approved. In addition, it should be noted that no officer impact analysis at this stage indicates that any of the savings options will be regarded as illegal, with respect to the Equality Act 2010, or any rights based legislation.
- 3.7 The following section provides a summary of the main potential ERIA impacts, alongside proposed mitigating actions, of all proposed revenue budget options:
- **Children and Families** –7 options have potential equality and rights negative impacts:
    - i. *CF5 – Reduce Education Welfare Officer Posts* – Impacts - The Education Welfare Service is a statutory service which has a legal

responsibility to monitor and support the attendance of children and young people. Potential negative impacts have been identified for vulnerable children and young people, specifically equality of opportunity and rights related to education. **Mitigation** - A review of service would be required to prioritise the allocation of staff throughout the city. A risk based approach to non attendants to prevent high levels of truancy within specific groups of pupils will be implemented. A proportionate model to ensure support where it is most needed will be introduced. Not all clusters will have full-time dedicated support, but all will have access to support according to need following rigorous analysis

- ii. *CF13 – Reduction in operational services for Community Services – Impacts* - The reduction in operational budgets for community services including reducing staff numbers and revenue for grant awards and funding for specific programmes may reduce the opportunity to support people in accessing their rights with regard to quality of life, education and learning, involvement in productive and valued activity, improved individual, family and social life, identity expression and respect and being able to participate, influence and be heard. **Mitigation** – Further detailed engagement and consultation with all the key stakeholders. Change management resulting in other council service areas taking on key aspects of service delivery e.g. administration of international visits.
- iii. *CF15 – Review Weekend Services – Impacts* - There may be some initial impact on the number of families who currently use this service. **Mitigation** - Self Directed Support implementation will ensure outcomes are met. To develop a detailed communication plan to advise parents, service users and stakeholders of the changes.
- iv. *CF16 – Service wide reductions to grant and contract funding for third parties - Impacts* – Potential negative impacts on a range of equalities and rights of vulnerable service users from reductions in service. **Mitigation** - Negative impacts on equalities or rights of any proposed reduction of spend on grants or contracts will be considered at the time of proposal and discussed with the service provider. The intention will be to ensure that levels of support to service users are maintained or delivered in alternative ways and to minimise negative impact on any equalities group where possible. This will vary across the range of current providers and agreed mitigating actions will be specific to the user group in question.
- v. *CF18 – Review Throughcare Service - Impacts* - Whilst there would be no specific impact on children’s rights, care would be taken to ensure young people received the appropriate information about their entitlements and support to access relevant services wherever possible. For those with a disability, supplying information about entitlements and support may not be enough and would require to be further explored.

**Mitigation** – Throughcare and aftercare staff will take all possible steps to support young people to access appropriate healthcare advice, guidance and services and will be trained and supported to provide this. Assistance to access the support may be required for those with communication difficulties or mental health conditions, and this should be built in to forward planning for these client groups

- vi. *CF19 – Efficiencies in financial assistance payments* – Impacts - There may be a disproportionate impact on vulnerable families with multiple problems and those without recourse to public funds. In turn, this may have a subsequent impact on families within specific equalities groups. This would only be evidenced over time through the monitoring of implementation and potential negative impacts. **Mitigation** - Practice teams will prioritise support to those with greatest need to make best use of available resources. Signpost clients to alternative services to maximise entitlement to benefits and work collaboratively with Citizen's Advice Bureaux and other voluntary organisations to encourage uptake of, and access to, other support available, such as food banks. Implementation of this proposal should take account of the potential for there being an increased call on other services and resources and ongoing monitoring and assessment of impact will be built in.
- vii. *CF20 – Review Day Care Services* – Impacts - There will be some impact on vulnerable families as services reduce, however, increases in early years provision for vulnerable two year olds and increases in nursery hours to 600 a year will help to mitigate the impact. **Mitigation** - Services will be targeted at those most at risk of becoming looked after. Alternative provision would be identified in early years services for some children through the funding provided for looked after two year olds as part of the Children and Young People's Act.

- **Corporate Governance** – 2 options have potential equality and rights negative impacts:

- i. *CG5 – Reduction in Service Payment – Edinburgh Leisure* – Impacts - Work is ongoing by Edinburgh Leisure to identify the full range of impacts that may arise from this option. **Mitigation** - Edinburgh Leisure is currently developing an options paper to be considered by the Council which will detail the impact of the proposed reduction in service payment upon special programmes, core services and facilities. Based on the existing business model, it is likely that the scale of the reductions identified (£2.1m p.a. reduction by 2017/18) may lead to some facility closures and a displacement of existing users. There will also likely be an inability to continue providing special targeted programmes at existing levels. The special programmes include the following: Active Lives - for inactive adults living in multi-deprivation areas; High Flyers - targeting

children and young people with disabilities; a swim programme for under fives living in areas of multiple deprivation and young people with additional support needs; Looked After and Active – physical activity programme for young people in care for whom the Council is the Corporate Parent; and Positive Destinations - development programme for young people not in employment, education or training. However, the formal review of all Council-owned sports facilities and services began in July 2014 and it is anticipated that this review may identify new ways of working across other Council services and may result in more efficient and effective ways of delivering service outcomes.

- ii. *CG8 – Reduction in Activity budget – Impacts* - There may be a negative impact on equality. The Activity budget supports a wide range of sport events, some of which are targeted specifically at women, girls; people with disabilities; the Lesbian, Gay, Bisexual and Transgender community, and older people. **Mitigation** - As far as possible, prioritise expenditure on events targeted at vulnerable groups with protected characteristics.
  
- **Economic Development** – 1 option has potential equality and rights negative impacts:
  - i. *ED3 – Reduction in third Party Grants – Impacts* - There may be impacts arising from this proposal once the specific funding reductions are identified. **Mitigation** – High quality engagement, co production activities and a renewed focus on key target groups will enable the mitigation of many negative impacts.
  
- **Health and Social Care** – 3 options have potential negative equality and rights impacts:
  - i. *HSC17 – Social Strategy – Impacts* - A reduction to grant supported services to reduce Health Inequalities (30 services) and Social Justice (15 services) may lead to an impact on individual rights to access services, but there would be small reductions in access arrangements for priority equality groups. The reductions may limit further development of facilities for vulnerable groups and communities of interest such as migrants, and LGBT, BME, disabled and economically disadvantaged people. **Mitigation** - Funding proposals have been selected to minimise the impact and prevent any complete loss of preventive services. Most affected services indicated that they would seek efficiencies which enable a continuation of service levels and reduce overhead costs. The net effect would be to reduce the range of activities available to people rather than reduce the number of people in contact.

- ii. *HSC22 – Reducing staffing ratios in day services for people with disabilities* – Impacts - Reduced staff support to some adults with learning disabilities using day services may reduce their participation in community activities and social opportunities. **Mitigation** - Staff will work to mitigate the risks as far as possible by ensuring targeted staff time with those most in need, and reviewing day activities and community based options for people affected by reduced staffing ratios.
  - iii. *HSC24 – Reduce the Volunteer Support Team* – Impacts - The main risk is a potential increase in social isolation for service users currently visited by volunteers. **Mitigation** – Consider an approach to improve targeting activity of the Volunteer Support Team.
- **Services for Communities** – 9 options have potential equality and rights negative impacts:
    - i. *SFC3 – Reform parking charges structure* – Impacts - This could impact on elderly and disabled customers' standard of living, and potentially reduce mobility to access individual, social and family life. **Mitigation** - A clearly defined pricing strategy will be produced which is transparent and understandable to the Council's customers. It is recommended that a review of usage and complaints received is completed in six months time, and again six months after that, to identify if there is negative impact.
    - ii. *SFC4 – Increase allotment charges* – Impacts - A threat of legal challenge framed in terms of the Equality Act 2010 has been submitted. Increasing rental costs for allotments could result in some plot holders having to give up their allotment and therefore impacting on access to social and health related activities. **Mitigation** – There will be enhanced community engagement, referring those who may lose allotments to other appropriate activities, ensuring allotments are available to those most in need and trying to better monitor the equality and rights impacts on current allotment holders.
    - iii. *SFC5 – Increased income from implementation of concessionary lets policy* – Impacts - Increase in rents may result in a tenant potentially ceasing or reducing its operations. **Mitigation** - If an increase in rent results in the tenant potentially ceasing or reducing its operations, organisations may seek a grant from the relevant Council service area. There will be an assessment as to whether the tenant and associated services meet Council outcomes. The proposal could be trialled for a pilot period with the impacts being monitored and revisited at the end of the pilot period. The Council's Community Asset Transfer Policy will address disposals by sale or lease to local third sector organisations. This will provide an alternative means of providing accommodation to some groups. Stepped rents would be offered when necessary to provide for a



gradual increase in rent to market level over a few years. Rent free periods may be available to tenants to compensate for the cost of improvement works carried out by the tenant. Assistance would be provided to help organisations find alternative premises. Affected organisations would be encouraged to work together and share properties where possible.

- iv. *SFC17 – Reduce third sector / partner agency grants* – Impacts - The services funded via the commissioning budget are available for many clients with the protected characteristics e.g. clients with disabilities, young people, women, and clients from the BME communities. Additional savings from these services may affect future provision. Many services assist clients to access housing, health, care and other services, that they would not be able to access without support. Many services work to eliminate harassment, discrimination and victimisation and to promote understanding of the specific issues facing clients who are homeless or at risk of homelessness across the protected characteristics. Grants to the Police could affect new clients who may not be able to access the services they need, which could have a negative impact on their safety related rights. The service allows clients in neighbourhoods to access support in relation to crime, including hate crime. Community policing also engages with young people in certain areas. Reduction of funding may result in reductions in community policing resources in areas of deprivation, but many services should still be available city wide.

**Mitigation** - How the savings are to be split has yet to be decided and will be informed by the budget consultation process. The effects of previous savings should be considered when discussing these proposals, particularly in relation to advice and homelessness services. Specific mitigating actions for Police grants include reviewing the current funding model, and analysing crime and anti social behaviour data to ascertain which community policing services equality groups are accessing.

- v. *SFC18 – Library opening hours* – Impacts - Potential negative impacts may include reduced access to library information and learning resources, events and activities, fewer cross service health promotion events, either for individuals or as part of a community group. There is a possibility that people with disabilities will be adversely affected, especially people with visual impairments and disabilities, who require access to assistive technology and staff support to access library facilities. The change in library opening hours may also impact on diversionary activities and events for children and young people, community language book groups, womens book groups, newspapers and computer and internet access for low income families, and access to stock and software in community languages (especially in McDonald Road and Muirhouse Libraries).

**Mitigation** - Additional tailored sessions for visually impaired people to support easier access to assistive technology and devices across libraries

at other times of the week. Running additional events, and children's events, on a Saturday. Moving book groups and other activities to weektime sessions. Active promotion of resources and children's activities online via the library service website. Library services will provide additional staff supported sessions to promote libraries online information resources, e-books and membership services. Customers will be signposted to online resources which are available 24/7. Continued free access to computers in Kirkliston neighbourhood office and Gate 55. Promotion of free computer access in Royston Wardieburn community centre for Granton residents. More activities on Tuesday and Thursday mornings, signposting to Library Link and Housebound services, book drop service and tailored support to access more library services online. In addition, library visitors and customers will be encouraged to use the five libraries during their new opening hours and to access other neighbouring library services which are open across the city on Monday and Wednesday mornings, Thursdays and Tuesday evenings.

- vi. *SFC20 – Catering Service Delivery* – Impacts - There are potential negative impacts in relation to staff currently employed by the Council to deliver the in house service. Depending on the catering service model chosen to replace the current service, there could be a positive or negative impact on people with specific dietary requirements due to their race and/or religion/belief. **Mitigation** - As part of the review, scrutiny of the quality and range of food to be undertaken.
- vii. *SFC21- Review of garden waste collection* – Impacts - Potential negative impacts on disabled and older people. **Mitigation** - Ensure information is communicated to customers regarding the availability of special uplifts and access to community recycling Centres. Undertake work with community organisations who may be able to provide support.
- viii. *SFC26 - Review taxi card provision* – Impacts - The proposed £20 administration charge could negatively affect those on a low income who could find their access to transport reduced, potentially leading to social isolation. It could be that elderly and disabled people will have reduced opportunity to engage in all aspects of daily life including engagement with family and social networks. Use of the taxi card is also linked to other services and benefits payments enabling access to other forms of transport. **Mitigation** – Further dedicated equality and rights impact assessment work is required. A dedicated group would be established to do this and link to the wider accessible transport review. It is this group that would coordinate a further customer consultation programme. Current users of the service will be advised that the service will continue to be delivered by accessible suppliers. If changes are made then the performance of the service will be closely monitored, as will feedback from users and their representatives.

- ix. *SFC31 – Improve efficiencies of library reminders and notifications – Impacts – Negative impacts on older people and those on low incomes who may incur library charges for overdue materials. **Mitigation** - Online options for reminders will be actively promoted to encourage greater sign-up. Promote the use of the ‘library app’ on smart phones with digital surgeries in all libraries. Use the ‘Get online’ programme to support digital access and use of online reminders. Ensure library staff engage with customers to ensure people do not incur overdue charges. Promote use of self service machines which issue printed receipts with a return date indicated. Promote use of adaptive screens on self service machines in libraries. Establish working practice with Royal Voluntary Service who deliver housebound and library link services to keep customers informed of return dates and availability of material.*

3.8 A significant consideration identified as a result of the ERIA programme is the range of cumulative impacts that may arise as a result of revenue budget proposals, and associated changes to services, which need to be considered when setting the budget. For example:

- i. Lack of employment, or reductions in income, for council staff as a result of employee cost savings targets, coupled with increased cost of living and changes to welfare benefits, mean that some people may be less able to live with independence and security, and secure necessary nutrition, clothing, housing warmth, utilities, services and transport. There may be specific negative impacts for some disabled staff, lower grade staff, or part-time and older-aged female staff, as research indicates these groups are more vulnerable to income loss and increased costs of living. Therefore, some further analysis of who is most likely to be affected by staffing reductions is required and, if appropriate, action identified to mitigate impacts e.g. additional support in council redeployment, or in seeking alternative employment, establishing career transition schemes, or delivering enhanced benefits and pension advice.
- ii. Some disabled and older citizens and service users may face changes and reductions in the health and social care services that they receive. This may make it more difficult to access free or low cost activities, lead to social isolation, with associated negative health and wellbeing impacts.
- iii. Services that visit vulnerable people’s homes could reduce and increase isolation, and proposed changes to transport mean that some people may find it more difficult to get out to access employment, maintain a social life or participate in leisure activities.
- iv. Reductions to services or community assets in some areas of higher social deprivation could further widen inequality gaps for some families, neighbourhoods or communities.

- 3.9 As in previous years, the ERIA of draft revenue budget proposals has led to a number of lessons learnt and future improvement actions. In summary, these relate to improving support and training to council officers, improving engagement with equality groups as part of the budget consultation programme, and improving impact assessment quality assurance systems. Further work will be undertaken by equality and rights lead officers to identify and deliver improvement actions.
- 3.10 As part of the budget proposal development process, officers were also asked to consider whether carbon emissions resulting from energy use in buildings, transport, waste and street/stair lighting were likely to increase, decrease or remain the same. As with the equalities and rights assessments, supporting information for the “early approval” proposals was advised as part of Council’s earlier consideration of relevant savings on 23 October 2014.
- 3.11 Of all the proposals within the framework, only three were returned with no note of likely carbon impacts. One proposal, SFC21 (Review of garden waste collection), indicated the possibility of an increase in emissions from increased waste sent to landfill, adding to the Council’s overall landfill tonnage and carbon emissions, but noted that promotion of home composting and relevant facilities within community recycling centres would mitigate such impacts. Around 20% of assessments noted a likely slight decrease in emissions, with the remainder stating that carbon emissions were expected to remain essentially unchanged. Completed carbon impact assessment templates for individual budget proposals can be supplied on request.
- 3.12 As indicated above, this year, for the first time, the Council undertook summary impact assessments of each revenue budget proposal relating to prevention and partnership. Several assessments, and some consultation responses, identified some potential negative impacts on preventative work, specifically proposed reductions in grants or contracts to third parties. As a result, it is possible that there may be increased demand on statutory or third party crisis intervention services in the future. It is difficult to project any detailed costs or impacts in this regard. However, ways to monitor any impacts over several years should be put in place. With regard to partnership impact assessments, proposals relating to third party payments were regarded as presenting the most risk to partnership relations.

## Measures of success

---

- 4.1 Due regard to the equality and rights impacts has been given to each of the savings, and additional income budget options.

- 4.2 The potential equality and rights impacts are taken into account when budget decisions are being made, and recommendations for mitigating negative impacts are implemented.
- 4.3 The potential cumulative (both annual and incremental) equality and rights impacts are taken into account, and mitigating actions are identified when each year's budget decisions are being made.

## **Financial impact**

---

- 5.1 This report identifies the potential risks in relation to equality and rights. The Council could be the subject of a legal challenge if these risks are not considered and addressed. Other financial risks relate to savings derived from preventative services which may result in increased demand on other crisis intervention services.

## **Risk, policy, compliance and governance impact**

---

- 6.1 The incorporation of equalities and rights, carbon, prevention and partnership impact assessments as an integral part of the budget development process reflects both good practice and relevant legal duties. This activity enables the Council to highlight any unintended consequences of specific proposals on vulnerable service users, climate change and partnership and prevention activity, increasing the effectiveness of the mitigating actions.
- 6.2 The process is also aligned to wider council and Edinburgh Partnership strategies and plans, enabling more effective prioritising of available resources in a way that best supports the needs of vulnerable service users and groups.

## **Equalities impact**

---

- 7.1 Undertaking equality and rights impact assessment is intended to ensure that any negative impacts, including cumulative impacts, for protected characteristic groups set by the Equality Act 2010 are reduced.
- 7.2 It also ensures that the Equality Act 2010 public sector equality duty is met with regard to (i) eliminating unlawful discrimination, victimisation and harassment; (ii) advancing equality of opportunity and (iii) fostering good relations, and that any infringements on human and children's rights are minimised. .

## **Sustainability impact**

---

- 8.1 Carbon impacts assessments have enabled consideration of the public body duties under the Climate Change (Scotland) Act 2009. The findings of these assessments will also help to achieve a sustainable Edinburgh with regard to progressing climate change, social justice and community wellbeing objectives.

## Consultation and engagement

---

- 9.1 Relevant feedback from the budget engagement, that has taken place in the months leading up to budget setting, has informed equality and rights, carbon, prevention and partnership impact assessment analysis.

## Background reading/external references

---

Draft Council Revenue Budget Framework 2014/18 – Equality and Rights Impact Assessment – referral from Finance and Resources Committee

A Framework to Advance Equality and Rights 2012-2017 (Policy and Strategy Committee, 12 June 2012)

### Alastair D Maclean

Director of Corporate Governance

Contact: Nick Croft – Corporate Policy and Strategy Manager

E-mail: [nick.croft@edinburgh.gov.uk](mailto:nick.croft@edinburgh.gov.uk) Tel: 0131 469 3726

Pamela Roccio – Corporate Policy and Strategy Officer

E-mail – [Pamela.roccio@edinburgh.gov.uk](mailto:Pamela.roccio@edinburgh.gov.uk) Tel: 0131 469 3907

## Links

---

<b>Coalition pledges</b>	All
<b>Council outcomes</b>	All
<b>Single Outcome Agreement</b>	All
<b>Appendices</b>	None

# Finance and Resources Committee

10.00am, Thursday, 3 February 2015

## Budget Proposals: Overview of Feedback and Engagement

Item number

Report number

Executive/routine

Wards

All

### Executive summary

---

This report covers the findings of the budget engagement around the 2015/16 Budget proposals and indicative budgets for 2016/17 and 2017/18, and includes:

- summary of approach to engaging citizens and stakeholders including communications activity, reach and response achieved; and
- summary of feedback and results to date.

This report provides analysis of the feedback on the proposals, and appropriate context, to assist elected members in their consideration of budget proposals.

This year's approach to budget engagement set out to engage a large and diverse group of staff, citizens and other stakeholders in a meaningful way, using a variety of media, interactive tools and partnership working across the Council. It has been hugely successful in achieving the Council's highest recorded response to budget engagement, generating 3,525 responses across a range of formats.

The feedback suggests that the public have taken a rational approach to their responses in balancing the budget, with a greater understanding and appreciation of the challenges and the comparative benefits of specific budget choices. This has

### Links

---

Coalition pledges

All

Council outcomes

All

Single Outcome Agreement

All

been made possible through real time information and the consequences of budget options presented in accessible formats.

Respondents expressed concerns about the Council's 2015/16 budget proposals in relation to:

- A reduction in funding of Edinburgh Leisure;
- An increase in allotment rents;
- Community learning and development;
- Changes to early years support;
- Reductions to partner, third-party and voluntary sector payments;
- Changes in library opening hours;
- Changes to the maintenance of parks and greenspace, in particular reduced grass cutting and the replacement of white line painting of sports pitches with alternative means of marking grass;
- Closure of some public toilets outside the city centre; and
- A reduction in the Council's use of the City Car Club.

Feedback on longer term priorities indicates that most residents support a position of protecting the direct delivery of services for vulnerable children and adults, education, care for the elderly, culture, and refuse collection.

Once the decisions have been taken at the Full Council meeting on Thursday 12 February, the next step is to undertake appropriate feedback to stakeholders and citizens on the engagement and final budget decisions. A draft programme of ongoing engagement on the budget, covering the period 2015/18, will also be reported to the Finance and Resources Committee and implemented after the 2015/16 budget is set.



## Budget Proposals: Overview of Feedback and Engagement

### Recommendations

---

- 1.1 It is recommended that Committee:
  - 1.1.1 Notes the report and the emerging themes of the feedback from the engagement;
  - 1.1.2 Notes that the outcome of the engagement and budget decisions will be communicated through the process of setting the Council's Budget for 2015/16; and
  - 1.1.3 Refers the report to all Executive Committees and partner agencies for information.

### Background

---

#### Financial position

- 2.1 The City of Edinburgh Council is responsible for providing a broader range of public services to the people of Edinburgh than any other public body. From the early years health and education of children to the care of the oldest and most vulnerable. With investments in infrastructure, business support, culture and the third sector, Council services sustain enterprises of every size, helping them to create employment and wealth in the city.
- 2.2 To provide these services, the Council is responsible for spending around £1bn of public money. All councils have seen their costs rise – for necessities such as fuel and electricity – while demand for equally necessary services – such as education and home care – has increased, driven by changing demographics and a growing population.
- 2.3 The integration of Health and Social Care will be a structural and economic challenge for the Council and its major partners. Customer expectations continue to rise and while new technology offers the potential for Council services to become more efficient and provide better services, realising that potential requires investment in staff and systems.

- 2.4 In the medium-term the Council as an organisation will be faced with wage growth pressures as the economy begins to recover. Over this timescale the Council's budget is not currently expected to increase; coping with change on this scale requires not just the salami-slicing approaches of previous decades, but a total transformation of local government.
- 2.5 Over the next 20 years, Edinburgh is projected to be home to the fastest growing population of any local authority in Scotland. By 2027 the city's population is projected to rise to almost 566,000 people, an increase of 83,000 (17%) over the level estimated in 2012. Most of this increase will be amongst the youngest and oldest age groups – those who receive the greatest portion of local authority services.
- 2.6 The City of Edinburgh Council has planned and already achieved almost £200m of recurring annual efficiencies in its budget in recent years. However demand for services continues to outstrip changes in funding, and the Council still needs to find an additional £67m by the 2017/18 budget. Local authorities are required by law to balance their budgets each year.
- 2.7 The following table summarises the Council's expected budget position and the required savings over the next three years.

	2014/15	2015/16	2016/17	2017/18
<b>Planned expenditure</b>	£950m	£962m	£991m	£1,010m
<b>Expected income</b>	£950m	£940m	£938m	£943m
<b>Net savings required</b>	£0m	£22m	£53m	£67m

- 2.8 The gap is being addressed through customers, communities, staff and service managers working together to provide services more efficiently. It is being met through the introduction of new technology and smarter ways of working. Where possible, practical and fair, some services will have new or increased charges applied in-line with the Council's Charging Policy. And the Council is also looking for new revenue-raising services it can provide to residents and businesses.
- 2.9 The Council's BOLD programme (Better Outcomes through Leaner Delivery) is driving the delivery of efficiency and financial improvement workstreams across the Council, breaking down the obstacles to the radical and innovative reimagining of services created by traditional work silos.
- 2.10 A series of changes to the structure of the organisation proposed by the Chief Executive, will see the Council's focus move towards more local control and delivery of services, creating savings by providing services that communities need, getting things right first time, and removing unnecessary centralised management and specialist functions.

## **Purpose of engagement**

- 2.11 While innovation must be at the core of any process of becoming more efficient, the Council also needs to prioritise services and create financial headroom to allow it to plan and to respond to emerging issues. In each of the last four years the Council has conducted a budget engagement exercise, speaking to citizens, to workers, to businesses and to partner organisations. These exercises have attempted to help people understand the pressures, the choices and the opportunities created by local government, and to communicate their priorities for their family, their neighbourhood and their city.
- 2.12 This report deals with the response to the 2014 budget engagement exercise. The response has been large, relative to that achieved in all previous years. Improvements have been made to the way the Council communicates and listens to respondents, but it is also likely that the engagement exercise has benefitted from a significant rise in public engagement caused by the referendum on Scottish independence in September 2014.
- 2.13 Engagement exercises in previous years have resulted in the Council making changes to the final budget; residents have been able to meaningfully effect change in Council policy through group action and individual contributions.
- 2.14 On 3 October 2014 the City of Edinburgh Council officially launched both strands of its budget engagement process: detailed proposals for changes to its 2015/16 budget; and an online planner allowing residents to set their own priorities for Council spending in the long term. Both exercises closed on 19 December 2014 after an 11 week period of engagement and consultation.

## **2015/16 budget consultation**

- 2.15 A group of more than 80 specific proposals was put forward by the Council on a wide range of themes:
- An attractive city to live and work in – dealing with changes to the infrastructure of the city and environmental services;
  - A strong economy for the city – including changes to employability, economic development, planning and cultural services;
  - Better services for customers – demonstrating how procurement, reductions in management, and improved asset use and debt collection can benefit frontline services;
  - Opportunities for all to achieve their potential – highlighting the Council's commitment to investment in education while reviewing spending to ensure citizens receive maximum value; and
  - A good quality of life for everyone – focusing on the investment of additional resources in care for the elderly and vulnerable, more investment in preventative care, and looking to improve the efficient delivery of services provided through partners.

2.16 These proposals had a combined value of £23m, while the Council believes that a further £5m can be identified through changes to internal processes and practices which are not expected to negatively impact on front-line service delivery. The total savings proposed for the 2015/16 budget would provide the Council with the potential for up to £6.5m of additional resource, which could be used to invest in services, or could be reduced by making changes to the final budget.

### **2017/18 budget engagement**

2.17 In order to meaningfully engage with a larger and more diverse group, the Council employed an online planner<sup>1</sup> to show where the Council expects to incur costs in 2017/18, to demonstrate the impacts of increasing or decreasing spending in all of its services, and to give respondents the opportunity to express what they feel the Council's priorities should be. Impacts shown in the planner are indicative of what might happen as a result of budget changes.

## **Main report**

---

### **Overall response to consultation and engagement**

3.1 The level of response received to the City of Edinburgh Council's budget engagement activities in 2014 exceeded all previous years. The total number of responses, in all formats, was 3,525 and was around five times greater than all feedback received from all formats in 2013. 2014 feedback included:

- 1,719 completed budgets submitted through the online planner (of these 362 included further comments on the budget)
- 145 submitted budget leaflets
- 782 telephone calls, emails and letters<sup>2</sup>
- 325 signatories to a petition<sup>3</sup>
- 524 social media comments made through Twitter and Facebook<sup>4</sup>
- 30 group activities with stakeholders and staff (these involved approximately 563 individuals<sup>5</sup>)

3.2 The following graph shows the level of response received to the online planner, compared against Edinburgh's 2014/15 budget consultation – whose online element was performed using an online survey – and Liverpool. The

---

<sup>1</sup> The Council's online planner was located at <http://edinburgh.budgetsimulator.com>, more information about the planner can be viewed at <http://www.budgetsimulator.com>

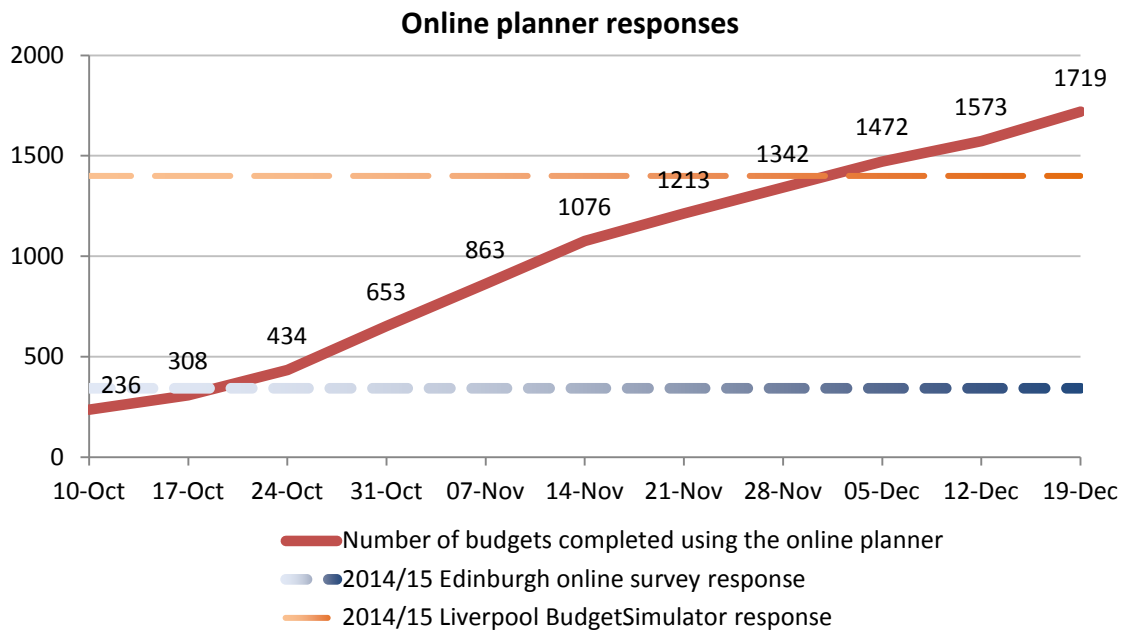
<sup>2</sup> This number includes correspondence sent to elected members, but excludes duplicate contacts.

<sup>3</sup> Also includes 36 budget feedback forms from children on their local community centre.

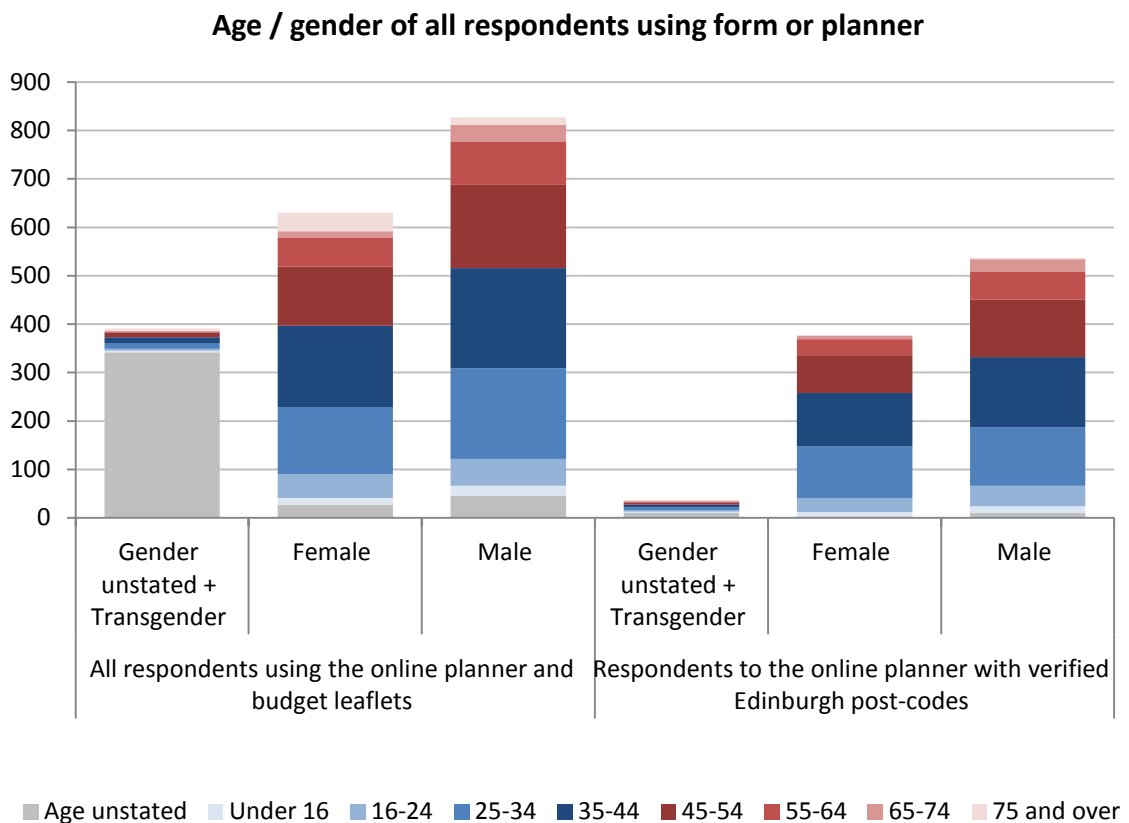
<sup>4</sup> This includes direct comments to the Council on social media, questions asked and comments made during online question and answer sessions, and comments made using the hashtag #edinbudget.

<sup>5</sup> This figure may include some double-counting of some staff and stakeholders who may have been invited to take part in more than one group discussion.

City of Liverpool is demographically comparable to Edinburgh and provided a general target for the level of participation in the online element of the survey.



3.3 The following graph shows the age and gender breakdown of all 2014 respondents using the online planner and paper forms (this number excludes letters, emails, calls and other forms of submission where no demographic information is asked for) and the number of respondents to the online planner who have a verified Edinburgh post code.



- 3.4 More information about respondent demographics is included in **Appendix One**.
- 3.5 This report deals with issues that relate to either specific budget proposals, or the general themes of the budget as set out in the planner. Respondents often used the budget process to suggest ideas, to ask for more information, to praise or make comments about services, or to express dissatisfaction.
- 3.6 All ideas for budget savings and improvements to the engagement process will be sent to appropriate service areas for consideration.
- 3.7 A full list of comments made in relation to the budget will be made available to all elected members.

### **Communications Strategy**

- 3.8 A proactive and sustained communications campaign began on 3 October to ensure that as many residents and stakeholders as possible were aware of the budget proposals and encouraged to have their say before it closed on 19 December 2014.
- 3.9 A wide range of communication tools were used throughout the 11 week engagement period to target different audiences. The campaign was developed around the five budget themes to both emphasise specific service areas such as transport, parks, and schools, and be more meaningful. The theme of the communications changed weekly to give a fresh focus.
- 3.10 More information about the approach to Communications is included in Appendix Three.

### **Communications analysis**

- 3.11 This strategic approach ensured that as many people as possible had the opportunity to have their say about changes which may affect them by using a broad range of communication channels to target the vast demographics of the city's population. Where possible no or low-cost tools were used but to make sure the campaign was as inclusive and engaging as possible some paid-for communications were required. The communications campaign cost less than £18,000. As a result more than five times the number of people completed the online planner compared to last year's online survey with a significant increase in the number of people submitting further comments by email, phone and form.

### **Consultation and engagement responses**

- 3.12 The rest of the main body of the report is divided into two sections:
  - a. 2015/16 Budget: responses about specific proposals; and
  - b. Council priorities: general comments about priorities for spending.
- 3.13 The second section includes information from both BudgetSimulator and other sources of council insight.

## **2015/16 BUDGET PROPOSALS**

- 3.14 More than 1,500 comments were made about the budget. Comments have been summarised for reporting and as a result some proposals are not included in this report, because of the small number of responses received that related to them.

### **Edinburgh Leisure budget (131 respondents, plus petitions with a total of 289 signatures)**

- 3.15 The Council's proposal to reduce the funding grant supplied to Edinburgh Leisure (from £9.6m to £7.5m over the next three years) was met with opposition. Most opposition followed a series of Edinburgh Evening News articles stating the funding reduction would result in the closure of eight sports and leisure facilities across the city, including golf, swimming and bowling facilities.
- 3.16 Opposition to the proposal was predominantly in relation to the closure of facilities. Respondents cited specific facilities (which they used) that they felt must not be closed because of the essential benefits they provided to them and their community.
- 3.17 The funding provided by the Council was felt to support "sport for all" rather than "sport for those that can afford it." Local facilities were felt to be important because significant travel to sports facilities was a disincentive to use those facilities, especially amongst those without access to private transport. During holiday periods sports facilities were also felt to provide an important part of recreation for young people.
- 3.18 The contribution made by Edinburgh Leisure towards a number of objectives was highlighted by respondents, in particular keeping people of all ages active, combating obesity, and improving the physical and mental health of residents. Edinburgh Leisure's facilities were felt to support grass roots development of sport and helped make Scotland an example to other countries during the Commonwealth Games.
- 3.19 It was suggested that the current staff discount of 10% on Edinburgh Leisure membership fees could be stopped and that this would make little difference to Council employees.
- 3.20 While all respondents were opposed to the closure of dedicated centres, some of these respondents suggested that there were potentially large savings or incomes to be made from reducing the number of golf courses or by significantly increasing their fees. Furthermore it was suggested that Edinburgh Leisure was lax in ensuring all access fees were paid when facilities were busy, and that management structures were inefficient leading to a lack of frontline staff to maintain longer opening hours.

### **Allotment service (99 responses)**

- 3.21 The Council's proposal to raise an additional £150,000 of revenue through allotments attracted a large volume of responses. All responses were in opposition to a "tripling" of the membership fee seen as necessary to generate this additional revenue.
- 3.22 Respondents stated their belief that the Council had entered into a binding agreement with the Federation of Edinburgh and District Allotments and Gardens Associations (FEDAGA) that saw full-plot allotment fees increase gradually from £50 to £100 (the current level) and that this price would remain frozen until 2020, when increases would thereafter be linked to inflation.
- 3.23 Respondents stated their belief that the current rent level ensures the Allotments Service is self-sustaining. There is some complexity around this because the gross revenue obtained by the Council from allotments is reduced by the cost of billing and processing a large number of payments for small charges (half plots and smaller, with significant discounts). In any case the current charges make no contribution to the development of new allotment sites.
- 3.24 Respondents felt that allotments made an important contribution to the mental wellbeing and physical health of allotment holders. They felt it was important for individuals to be connected to the food they eat and its local production. These stated aims and benefits were felt to support a number of the Council's broader aims and objectives.
- 3.25 Some respondents felt that it was appropriate to have some increase to charges, given the Council's overall financial position. However they rejected the scale of the increase, which was not felt to be a "fair" rate as required by the appropriate legislation on allotments.
- 3.26 FEDAGA contributed to the consultation and made a number of suggestions for ways the Council could raise additional revenues through allotments. All of these will be passed to the service, but examples included:
- A fee for being registered on the waiting list – given that there is a multi-year waiting list for allotments and an administrative cost of maintaining the waiting list;
  - A joining fee for new allotment holders;
  - A deposit for new allotments and for keys to allotment sites – refundable when allotments and keys are returned to the Council;
  - Use of environmental wardens to issue fines for allotments which are not appropriately maintained;
  - Providing only materials and land for new and redeveloped allotment sites, requiring those who want an allotment to provide the labour; and
  - Recruitment of volunteers to manage administrative tasks for the allotments service.



**Community learning and development, adult education classes (81 respondents, plus feedback from 36 children on why their community centre was important to them)**

- 3.27 Reductions in adult education classes were opposed. It was felt that classes in a range of subjects helped people of all ages, but especially retired people, maintain physical and mental activity, and social contact. The contribution made to older people and to communities was felt to be significant.
- 3.28 Community learning and development was felt to promote literacy and numeracy amongst adults and several users of these services wrote of how developing these skills had improved their lives. It was not clear to respondents how they would have gained these skills and confidence otherwise. Community learning and development was also seen as key in improving IT literacy.
- 3.29 There was general praise for the high quality of the community learning and development classes provided by the Council. A large proportion of these responses were received in support of Cameron House in particular, and the support that staff there provided to a number of community groups. Cameron House was not specifically identified in the budget proposals.
- 3.30 One respondent (a commercial language school) felt that the Council's adult education classes were undercutting private suppliers. It was suggested that while it might be appropriate for the Council to offer some elementary classes for those on low incomes, its current provision of regular language classes at a low cost was unfair to local businesses trying to provide the same service commercially, and that most people would be able to afford to pay commercial rates for language lessons.

**Early years support (77 respondents)**

- 3.31 As part of the 2015/16 budget, the Council proposed to reduce the number of early years group worker posts, replacing this support with increased childcare provision. Respondents were opposed to these changes.
- 3.32 The specific role of the group worker was seen as building capacity within families, helping parents to develop skills that would enable them to cope with the unusual crises and everyday difficulties of raising children. Several parents who had benefitted from this support mentioned the significant and lasting impact group workers had made on their lives and the improvements they had been able to make to their personal circumstances, which they felt would not have been possible without this support.
- 3.33 More generally, respondents felt that the communities which benefitted from early years support were not necessarily those who would benefit equally from childcare. What was needed for families in these areas was someone to work with them to help them create better, more stable environments for children. It was not felt that childcare would be an acceptable substitute for the level of support currently provided.

- 3.34 There were concerns expressed that the level of care provision would not be equal, especially for children with additional support needs or disabilities, where the development of parental skills was especially important.
- 3.35 Many parents wrote personal notes of support for the service in general. There were also specific notes of praise received for particular named group workers who would be affected by this change.

**Partner, third-party and voluntary sector payments (60 respondents)**

- 3.36 A number of proposals in the 2015/16 budget related to payments or grants made to partners, including the voluntary sector.
- 3.37 The Council was felt to be shifting the responsibility for efficiencies and redesign of service delivery onto partners. This also meant that partner agencies were incurring additional costs through loss of staff. It was felt that the inevitable consequence of this would be the closure of third-sector organisations and an end to the services they provide. Organisations were active in raising funds from other sources, but the reduction in Council grants would still result in real service reductions. In this context the Council's 'no redundancy' policy was described as "protectionist."
- 3.38 Respondents felt that while reductions to third-sector payments were a relatively easy option for the Council, the impacts of those reductions were felt unequally by the citizens of Edinburgh; with vulnerable people being hit hardest and with the greatest damage being done to services that sought to build capacity, increase resilience and person-centred support that prevents individual issues escalating to become crises.
- 3.39 EVOC resubmitted the Third Sector Interface's report 'Courage to Collaborate', originally prepared in January 2013. As well as emphasising the benefits to the city, the public sector and the citizens of Edinburgh from volunteering, it makes the point that volunteering is also beneficial to volunteers; providing improved mental and physical health, and wellbeing, in addition to training and transferrable skills.
- 3.40 The 2015/16 budget was felt to be particularly unfair towards the third sector. The South Edinburgh Amenities Group asserted that the percentage of the Council's budget normally allocated to third sector payments was around 8%, but that £4.34 million of cuts to these payments accounted for almost 19% of all planned savings.
- 3.41 Leading organisations in the third sector contributed to the budget engagement, stating that the third sector is worth £2 billion to the Edinburgh economy, providing £9 worth of services for every £1 of public money invested. They expressed an eagerness to work with the Council to develop effective solutions to reducing Council budgets, providing examples of where this had already happened successfully.

- 3.42 A report prepared by the Strategic Homelessness Action Partnership Edinburgh (SHAPE)<sup>6</sup> states that homelessness organisations have been disproportionately hit by changes to the Council budget, with reductions each year since 2008 resulting in a 50% overall cut in real terms. An additional 15% has also been agreed for the budget period 2014/15 to 2016/17. SHAPE argues that homelessness services have faced steeper cuts than other partner organisations.
- 3.43 SHAPE asserts that a single tenancy failure costs between £15,000 and £24,000 while the support to prevent a tenancy failure costs only £2,000. The proposed reductions in funding for homelessness organisations will lead to longer waiting times, less contact time with each client, more tenancy failures, and will result in higher costs to the Council as well as worse outcomes for those who need services.
- 3.44 The 'E' Division of Police Scotland submitted its response highlighting the potential risks created by changes to its funding. The current Council funding of £2.63 million is unchanged in the last decade and as a result of this, Police Scotland notes the size of the police resource reducing from 64 staff to 56 over that period. Police Scotland estimates that 15% of Edinburgh's community policing team is funded by the Council. Police Scotland assert that Edinburgh's funding of police posts is not the highest of "any urban authority in Scotland," citing Glasgow's budget of £3.20 million for community policing, however relative to the size of the force budgets, the City of Edinburgh Council's contribution to 'E' Division in 2012/13 was 50% higher than Glasgow City Council's contribution to 'G' Division.
- 3.45 Following a rejected motion to reduce Police Scotland funding by £500,000 in the 2014/15 budget proposals, a new service level agreement (SLA) was created between the Council and the Police. A report, measuring 41 key performance indicators, was submitted to the Police and Fire Scrutiny Committee on 7 November 2014 where it was adjudged that Police Scotland had met the requirements of the SLA.
- 3.46 Police Scotland cannot determine the exact number of officer reductions because the budget proposal is not sufficiently specific, however if £1.5 million were withdrawn from its budget there would be a reduction of 35 beat officers. Police Scotland expects an increase in crime figures as a result – in particular antisocial behaviour and hate crime, leading to an increased number of more serious criminality.

---

<sup>6</sup> SHAPE is a group formed of Bethany Christian Trust, Crisis, Crossreach, Dunedin Canmore Housing Association, Four Square (Scotland), Keymoves Support for Homeless Women in Edinburgh, Move On, Rock Trust, Streetwork UK and Cyrenians.

### **Library opening hours (49 respondents)**

- 3.47 Most respondents commenting on libraries were opposed to the reduction in library opening hours and in favour of additional investment in the service.
- 3.48 Some respondents questioned whether reducing the opening times at Kirkliston Library was practical, since the library and the neighbourhood office occupy the same space it was felt the additional cost of keeping the library open would be small.
- 3.49 The important role libraries have in communities was emphasised, including the safe space they provide for children and young people, and their contribution to life-long learning. As in previous years budget consultations, libraries were viewed by some respondents as an essential public good that should be protected.
- 3.50 However a small number of respondents felt that, relative to what they considered essential services, libraries were less important and that it was appropriate they should have their hours reduced to protect other services. One respondent suggested that all libraries close over the festive period and at Easter to save money.
- 3.51 Responses to the online planner showed that, on average, and in the context of other spending priorities, Edinburgh residents made an 8.5% reduction to the library budget. The reduction was slightly lower amongst those age 25 and over (8.0%), but much higher amongst those 24 and under (10.9%). This difference in spending by age group confirms previous qualitative work with potential customers of libraries, which highlighted a strong belief amongst many younger people that libraries do not offer services they want or need – though this feeling is clearly not universal.

### **Parks, grass-cutting, painting of white lines on sports pitches (28 respondents)**

- 3.52 Concerns were raised about the quality of parks maintenance by a range of individuals and friends groups. Views were mixed on whether reductions in grass cutting were appropriate, with the main point of contention being where grass was mowed and with some being in favour of restricted mowing around younger trees where the process was felt to be damaging. Where reduced mowing was felt to impact on use or appearance or sports areas or other greenspace this was generally opposed.
- 3.53 A reduction in white line marking for sports pitches was strongly opposed by respondents who felt the alternative use of chemical burning of markings would impact on the ability to use pitches, the enjoyment of games and could potentially have negative environmental and public health implications.

- 3.54 The importance of parks in the city was emphasised by respondents, who cited both the psychological and physical benefits of access to greenspace for people of all ages. Parks were felt to make a substantial contribution to a broad range of Council outcomes.

#### **Public toilets (20 respondents)**

- 3.55 A range of suggestions and concerns were expressed in relation to the proposed closure of several public toilets in the city.
- 3.56 It was noted that the turnstiles the Council had installed in recently renovated public toilets are not, in several cases, currently in operation. Respondents questioned why these had been installed. One respondent suggested that instead of closing the toilets, the Council contracted out the supply of these toilets as a profit-making service.
- 3.57 There were concerns about the implications for both the Council's reputation and public health, and it was felt that the current state of existing public toilets in the city was poor.
- 3.58 Portobello Community Council reported the interim findings of a local survey which asked people about the toilet facilities at Portobello beach. The Community Council asserted that provision of public toilets at the beach was essential for the local economy and for people of all ages. The 221 individuals responding to their survey at the time their summary was provided rated all local toilet facilities as important.
- 3.59 Respondents raised concerns about the capacity and willingness of other facilities to accommodate demand for toilets. It was not felt to be fair to private facilities to deal with this issue, and it was felt that no contribution was made to the cost of providing de facto public toilets in Council buildings.

#### **City Car Club (12 respondents)**

- 3.60 The Council's proposal to move away from the City Car Club to alternative, more efficient and sustainable, forms of transport was criticised.
- 3.61 The City Car Club stated that their fleet of efficient vehicles were all less than three years old and had either Euro 5 or Euro 6 compliant engines. The mechanisms used by the City Car Club to monitor and bill usage allowed Council departments to accurately cost the amount spent and the emissions generated by those journeys, and it was felt that the Council would be unlikely to be able to demonstrate that its own alternative arrangements were more efficient. In particular staff using their own vehicles were likely to create higher levels of emissions, be using vehicles that were not regularly inspected in compliance with health and safety at work regulations and would generate more administrative costs to reimburse. Further it was suggested that inflated mileage claims are an endemic issue for all organisations that allow travel costs to be claimed back from private vehicles.

- 3.62 While respondents were in favour of reducing emissions, encouraging walking and cycling, it was also acknowledged that some journeys would be impractical without motorised transport. Since some motorised transport is necessary, a dedicated Council fleet would create inherent inefficiencies because vehicles would not be available for use by other customers at the evening and weekend.
- 3.63 It was suggested by a number of respondents that the Council's significant use of the City Car Club enables a greater level of service than would otherwise be possible and that by withdrawing its custom the total number of cars that could be provided would be reduced. It was felt that the Council had a responsibility to ensure citizens had access to this option.
- 3.64 The 2020 Climate Group asserted that car clubs played a significant part in decarbonising road transport – that each car club vehicle removed four private cars from the road. It was also stated that by decoupling car use from car ownership, car club users actually walked, cycled and used public transport more than the general population.

#### **General Priorities for spending, saving, investment**

- 3.65 The following is based on a weighted proportion of the data to attempt to better represent the views of all Edinburgh residents. More information about interpreting these results is included in **Appendix Two** of this report.

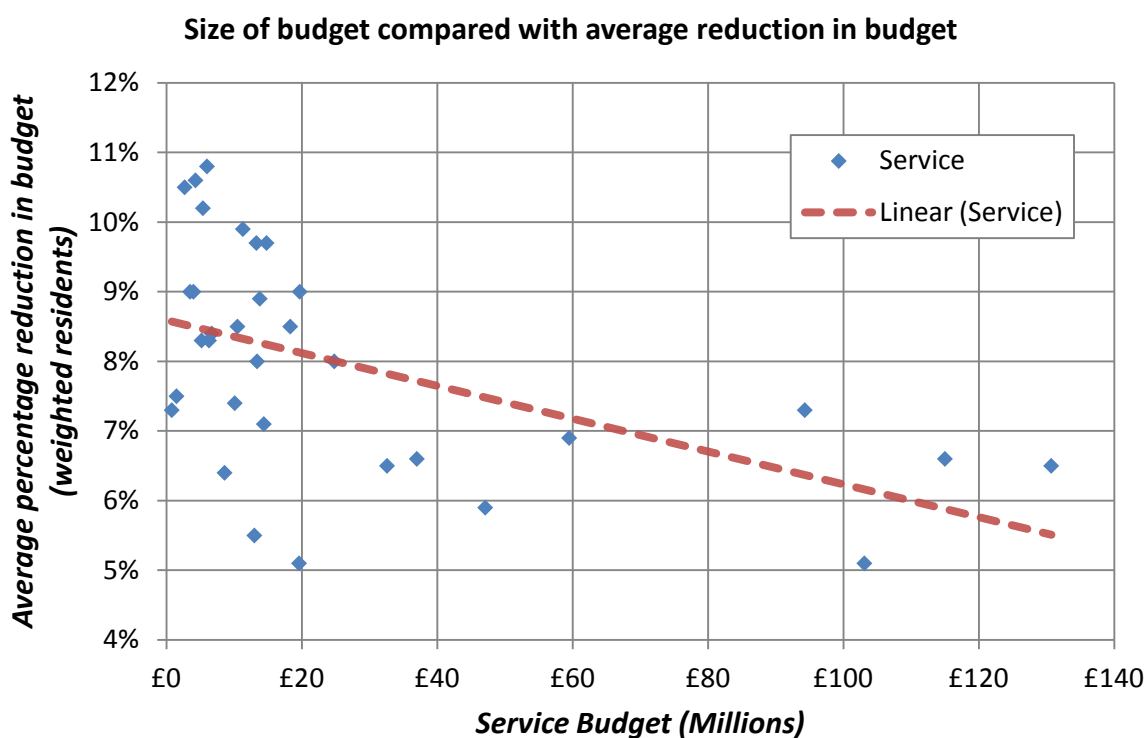
#### **Overall result of online planner**

- 3.66 The table on the following page summarises the results of the online planner, showing the percentage change in budget for each of the service areas discussed. As the planner did not allow loan charge expenditure to be reduced, the £67m budget reduction respondents needed to create was equivalent to around 7.5% of all service budgets. In this context, it is reasonable to consider services which have received an average cut of less than 7.5% as being favoured, or “protected”, by respondents.

Online planner results: Average budget changes for all service areas	All respondents	Parents	Council employees	Weighted Edinburgh residents
<b>Creating an attractive city to live and work in</b>				
Property and Facilities Management (£4.0m)	-9.0%	-9.4%	-9.4%	<b>-9.0%</b>
Parks and Greenspace (£5.2m)	-8.3%	-8.7%	-9.3%	<b>-8.3%</b>
Planning and Building Standards (£5.4m)	-10.3%	-11.1%	-10.1%	<b>-10.2%</b>
Public Transport and Accessibility (£6.3m)	-9.2%	-10.1%	-9.6%	<b>-8.3%</b>
Roads and Street Lighting (£14.4m)	-7.5%	-8.1%	-7.7%	<b>-7.1%</b>
Street Cleaning (£18.3m)	-8.7%	-9.3%	-9.1%	<b>-8.5%</b>
Waste (£37.0m)	-6.9%	-7.5%	-7.2%	<b>-6.6%</b>
<b>Parking</b>				
Parking (£17.1m revenue)	11.7%	12.4%	12.8%	<b>12.6%</b>
<b>Creating better, more affordable housing</b>				
Private Rented Adaptations (£3.5m)	-9.4%	-10.1%	-9.1%	<b>-9.0%</b>
Older People Home Care, etc. (£47.1m)	-6.2%	-6.9%	-5.1%	<b>-5.9%</b>
Older People's Care Homes (£59.5m)	-7.1%	-7.9%	-6.1%	<b>-6.9%</b>
Preventing Homelessness (£24.8m)	-8.2%	-8.9%	-8.2%	<b>-8.0%</b>
Investment, New Affordable Housing (£0.8m)	-7.5%	-8.3%	-7.2%	<b>-7.3%</b>
<b>Creating a strong economy for the city</b>				
Economic Development (£13.3m)	-9.6%	-10.7%	-9.8%	<b>-9.7%</b>
Culture (£8.6m)	-6.8%	-7.5%	-7.9%	<b>-6.4%</b>
Major events and Public Safety (£2.7m)	-10.2%	-10.9%	-10.3%	<b>-10.5%</b>
<b>Creating better services for customers</b>				
Customer Services, Communications (£14.8m)	-9.8%	-10.6%	-9.6%	<b>-9.7%</b>
Finance (£6.7m)	-8.4%	-8.9%	-8.6%	<b>-8.4%</b>
People and Organisation (£6.0m)	-10.8%	-11.3%	-10.6%	<b>-10.8%</b>
Info and Communications Tech. (£19.7m)	-9.1%	-9.8%	-8.7%	<b>-9.0%</b>
Legal, Risk and Compliance (£4.3m)	-9.8%	-10.9%	-10.4%	<b>-10.6%</b>
<b>Creating opportunities for everyone to learn and achieve their potential</b>				
Libraries (£10.5m)	-8.7%	-8.2%	-9.4%	<b>-8.5%</b>
Community Activities (£13.8m)	-9.4%	-9.4%	-9.8%	<b>-8.9%</b>
Early Years (£32.6m)	-6.6%	-5.8%	-5.8%	<b>-6.5%</b>
Primary Schools (£115.0m)	-6.8%	-5.1%	-6.4%	<b>-6.6%</b>
Secondary Schools (£130.7m)	-7.0%	-5.9%	-6.9%	<b>-6.5%</b>
Special Schools (£19.6m)	-5.2%	-4.6%	-5.0%	<b>-5.1%</b>
Vulnerable Children, etc. (£103.1m)	-5.2%	-5.0%	-4.9%	<b>-5.1%</b>
<b>Creating a great quality of life for everyone</b>				
Assessment and Care Management (£13.4m)	-7.6%	-8.2%	-7.6%	<b>-8.0%</b>
Community Safety and CCTV (£11.3m)	-10.0%	-11.1%	-10.4%	<b>-9.9%</b>
Mental Health Services (£13.0m)	-5.8%	-6.4%	-5.8%	<b>-5.5%</b>
Services for People with Disabilities (£94.3m)	-7.4%	-7.9%	-7.4%	<b>-7.3%</b>
Sport and Physical Activity (£10.1m)	-8.2%	-7.4%	-9.1%	<b>-7.4%</b>
Substance Misuse Services (£1.5m)	-7.8%	-8.3%	-7.7%	<b>-7.5%</b>

3.67 All service areas receive a reduction in their budget, on average. Looking only at the weighted figures, the reductions vary from a maximum of -10.8% for People and Organisation, to a joint minimum of -5.1% for special schools and vulnerable children’s care, social work and related services. This protection of services for vulnerable groups matches with the feedback provided by residents through other mechanisms.

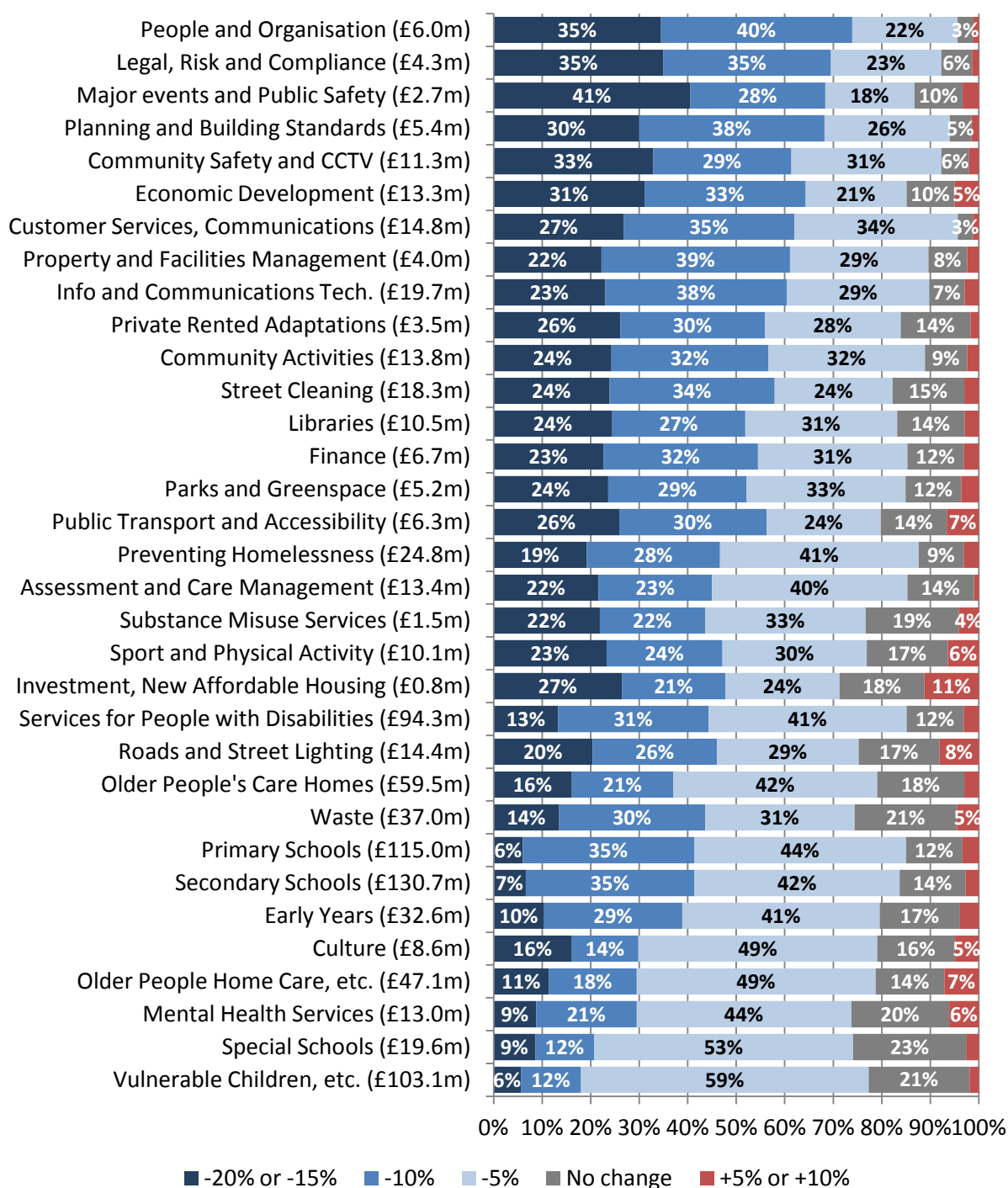
3.68 The following graph shows how service budgets and average reductions are linked, with larger services generally having smaller budget reductions and vice-versa. It is not clear that service size has resulted in any real bias, since larger services being protected are those services which qualitative feedback confirms people believe should be protected – care for the vulnerable and the education of children. However this result does suggest that, if repeated, the Council should consider sub-dividing services into roughly equal blocks of spending to avoid any possibility of budget size influencing respondent choice.



3.69 Looking at the level of cut made in each service area, the following graph shows distinct clustering of spending. Services generally aimed at children or vulnerable groups received the lowest level of cuts at 15% or 20%. By contrast a range of administrative, technical and professional services received a much larger proportion of larger cuts.



### Change in service budget, all services



3.70 More information about the broad priorities of respondents in relation to Council spending is included in **Appendix Four**. This appendix brings together depth analysis of qualitative and quantitative information from budget respondents, demographic analysis of budget priorities and relevant key performance indicators. The intention of this section is to provide useful context around expressed priorities.

## Measures of success

---

- 4.1 The key measures of success for the budget consultation process are:
- Whether the budget changes as a result of feedback received;
  - The number of individuals reached by budget messages;
  - The number of respondents to the budget process; and
  - Feedback on the consultation process itself.
- 4.2 The reach and response exceeded previous years and targets set based on a comparator city performing a similar exercise. Other feedback elements have been included in the project lessons learned log and will be considered when planning future budget engagement activities.

## Financial impact

---

- 5.1 The budget consultation and engagement process is difficult to separate entirely from the process of creating the budget. However it is estimated that £25,000 from existing budgets was spent on promotion, communications and the online planner. Approximately 2,000 hours of staff time were spent on the process from staff, in all departments. No new staff were recruited.

## Risk, policy, compliance and governance impact

---

- 6.1 There is a general acceptance that a local authority has a responsibility to meaningfully engage with stakeholders on its budget. An open, transparent budget engagement process is a key part of several corporate strategies and local community plans. This process reduces the overall risk of legal action and reputational damage for the Council.

## Equalities impact

---

- 7.1 The Council has taken all reasonable steps to ensure wide awareness and access to the engagement process by people of all ages, abilities and backgrounds. A separate report on the impact of budget proposals on equalities groups is being presented.

## Sustainability impact

---

- 8.1 The approach to the budget engagement provides evidence on citizen and stakeholder perceptions and priorities which will enable services to adapt, to be delivered more efficiently and to understand customer and community needs. Through this improved understanding, it is expected that the budget engagement process will have a positive impact on social justice and economic wellbeing.

- 8.2 All service change proposals are subject to individual carbon impact assessments.

## Consultation and engagement

---

- 9.1 The 2015/16 budget proposals and the longer term budget plan have been more extensively consulted on than any previous budget proposals. The number of responses and the detail of feedback is significant and is capable of making a structured and positive contribution to Council planning.
- 9.2 Throughout the engagement period, services were consulted on appropriate methods for engaging citizens and stakeholders, and to ensure that every effort was made within services to maximise reach. The approach was also informed by lessons learned and good practice from the engagement on the budget proposals 2014/15.

## Background reading / external references

---

[Budget Framework 2015/18 – Budget Engagement Proposals](#)

[Interim Budget Engagement Report](#)

### Alastair Maclean

Director Corporate Governance

Contact: David F Porteous, Senior Business Intelligence Officer

E-mail: [david.porteous@edinburgh.gov.uk](mailto:david.porteous@edinburgh.gov.uk) | Tel: 0131 529 7127

## Links

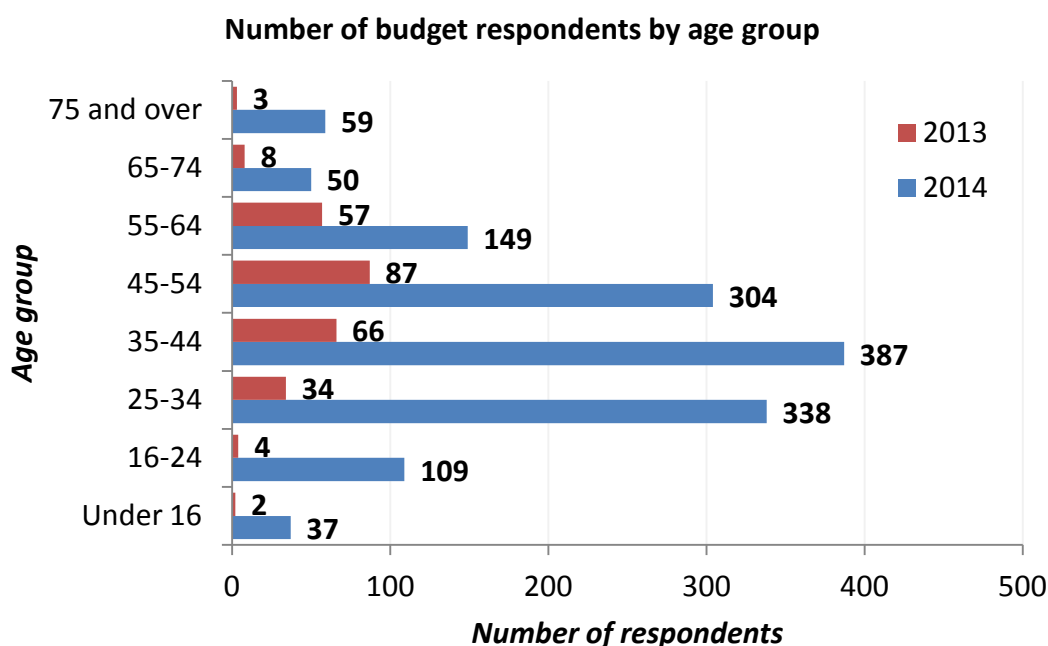
---

<b>Coalition pledges</b>	All
<b>Council outcomes</b>	All
<b>Single Outcome Agreement</b>	All
<b>Appendices</b>	APPENDIX ONE – Respondents demographics APPENDIX TWO – Notes on interpretation of results of the online planner APPENDIX THREE – Communications approach APPENDIX FOUR – General priorities for Council budget spending

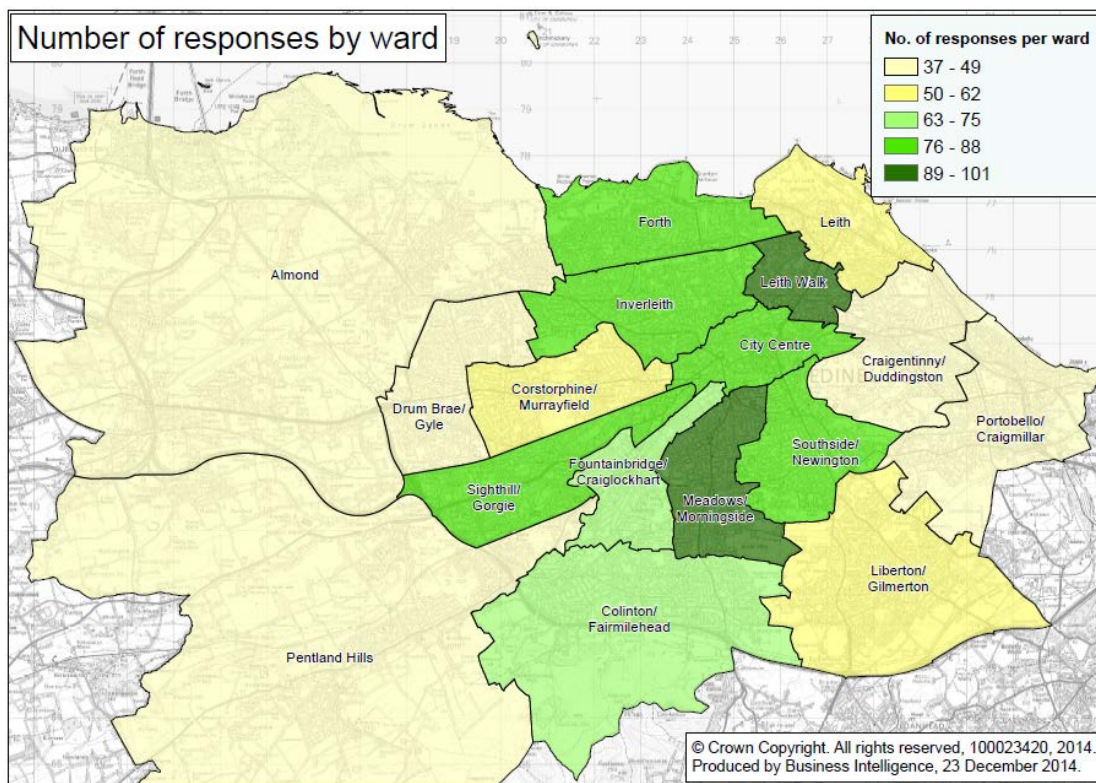
## APPENDIX ONE – Respondents demographics

	All respondents using the online planner and budget leaflets				Respondents to the online planner with verified Edinburgh post-codes			
	Gender unstated + Transgender	Female	Male	Total by age	Gender unstated + Transgender	Female	Male	Total by age
<b>Age unstated</b>	342	27	46	415	10	3	10	23
<b>Under 16</b>	3	14	20	37	3	9	14	26
<b>16-24</b>	4	49	56	109	2	29	42	73
<b>25-34</b>	12	139	187	338	7	107	121	235
<b>35-44</b>	12	168	207	387	5	110	145	260
<b>45-54</b>	10	122	172	304	5	78	119	202
<b>55-64</b>	1	60	88	149	1	33	57	91
<b>65-74</b>	2	13	35	50	2	7	26	35
<b>75 and over</b>	5	38	16	59	2	1	3	6
<b>Total by gender</b>	391	630	827	1848	37	377	537	951

Comparing the number and age profile of respondents to the budget engagement exercises in 2013 and 2014 reveals the scale of the increase in response, summarised in the graph below. The total number of responses has increased significantly in every age category, but it is also clear that the average age of respondents has lowered – arguably this can be attributed to the introduction of a more interactive budget engagement tool.



A total of 1,045 respondents supplied a postcode that placed them as living in Edinburgh, while 54 responses were received from respondents who gave a valid non-Edinburgh postcode. The following map shows the number of respondents from each of the city's wards. Distribution across the city was even and there was a very low level of geographic clustering within wards<sup>7</sup> indicating no significant geographic bias in the engagement exercise.



A number of additional respondent characteristics are summarised in the table below. The engagement exercise appears to have generated higher responses amongst parents, Council employees, those working full time, and ethnic minority groups than would be expected in a general population survey. However it should be noted that no demographic information is available for group participants, signatories to petitions and those who wrote letters, emails or social media comments. It is therefore difficult to state with certainty whether the totality of engagement in the budget over or under-represents the views of one or more groups.

<sup>7</sup> Of the 1,045 respondents, 788 had unique full postcodes while 138 respondents shared their postcode with only one other respondent. Some 88 respondents supplied only partial postcodes and where these postcodes were not entirely within one ward, they were allocated to individual wards proportionately, based on the number of full post codes already allocated to that ward.

## Other demographic characteristics of respondents

Base is the number of respondents who answered each question

	<i>Number</i>	<i>Base</i>	<i>Percentage</i>
<b>Parent / guardian of a child under 18</b>	505	1420	36%
<b>Have a disability or long-term illness</b>	184	1394	13%
<b>Employee of the City of Edinburgh Council</b>	305	1270	24%
<b><i>Ethnicity</i></b>			
White any British group	1189	1369	87%
White any other	114	1369	8%
All other groups	66	1369	5%
<b><i>Employment</i></b>			
Working full time	902	1362	66%
Working part time	145	1362	11%
Retired	84	1362	6%
Student	86	1362	6%
Unemployed	22	1362	2%
<b><i>Length of residence</i></b>			
10 years or more	474	1319	36%
5 years, less than 10 years	283	1319	21%
2 years, less than 5 years	270	1319	20%
Less than 2 years	292	1319	22%

## **APPENDIX TWO – Notes on interpretation of results of the online planner**

While every effort has been made to provide a good indication of Edinburgh resident opinion about the budget, it is important to note several factors when assessing the extent to which respondents represent the residents of Edinburgh:

- Consultation respondents are highly self-selecting – in general this means that only individuals who are interested or believe they have something to say about a subject will take part. For this reason all consultations are unrepresentative because although they invite responses from everyone, they do not effectively reach disinterested individuals and groups. It should be noted, however, that the communications campaign and engagement activities carried out at a corporate and service level targeted groups who might not necessarily engage with the online budget planner.
- The actual proportion of respondents in the 65+ age categories is small, and also small relative to the proportion of Edinburgh residents who are aged 65 and over. This means that the weighting process gives additional emphasis to the views of a small number of respondents who may be very different from other residents in that age group.
- There is no way of logically testing the weighted model. If, for example, the model were trying to form a representative picture of car ownership, personal health, or favoured holiday destinations then it would be possible to use actual data to corroborate the model. No such verification is possible in this case as no data exists against which the model can be tested.
- Response to the online planner was much higher than responses in previous years – and this should be recognised as a significant achievement in engaging residents meaningfully in the budget-setting process. However because the only way to feed into the planner was online, it is likely that it was less accessible to those without internet access, who are predominantly individuals on lower income. The campaign as a whole included a variety of formats that did not require IT access, in which to engage different groups with the budget e.g. telephone, letter, leaflets and meetings.

The following table shows: the demographics of Edinburgh according to the 2013 mid-year population estimates, the responses to the online planner, and the weighting applied to the sample. Weighting has been applied using the following principles:

- Where age and gender information is available, an individual response in the sample is weighted to ensure the overall sample matches the overall demographics of the city;
- Where no age information is supplied, a group is weighted to ensure equal representation according to gender. This rule is also applied to those aged under 16 years old;
- Where no gender information is supplied, a group is weighted according to the proportion of that age group in the city;

- Where neither age nor gender is supplied, a group is unweighted (has a weight of 1).

	2013 mid-year estimates, % total population aged 16+		Online planner respondents with confirmed Edinburgh post-codes			Weighting applied		
	Male	Female	Gender unstated + Transgender	Female	Male	Gender unstated + Transgender	Female	Male
<b>Age unstated</b>	-	-	1.1%	0.3%	1.1%	1.00	2.17	0.65
<b>Under 16</b>	-	-	0.3%	0.9%	1.5%	1.00	1.28	0.82
<b>16-24</b>	8.6%	9.1%	0.2%	3.0%	4.4%	2.13	2.82	2.06
<b>25-34</b>	10.4%	10.8%	0.7%	11.3%	12.7%	0.73	0.92	0.85
<b>35-44</b>	8.2%	7.9%	0.5%	11.6%	15.2%	0.77	0.71	0.52
<b>45-54</b>	7.7%	7.7%	0.5%	8.2%	12.5%	0.74	0.94	0.62
<b>55-64</b>	6.0%	6.2%	0.1%	3.5%	6.0%	2.93	1.73	1.03
<b>65-74</b>	4.1%	4.8%	0.2%	0.7%	2.7%	1.07	5.57	1.76
<b>75 and over</b>	3.2%	5.2%	0.2%	0.1%	0.3%	1.01	30.43	16.48

While the express purpose of the planner was to ensure respondents made meaningful choices based on their priorities for the provision of local government services, a number of respondents felt that this was unfair. Some respondents wanted to be able to raise revenues and create efficiencies rather than make a choice to reduce services. The consequences of spending cuts in the planner were felt to overstate the likely result of making cuts. And some stated their belief that the planner was a propaganda tool.

These negative comments are not exceptional for any Council consultation, but these objections to the Council's approach have been noted and will be considered when planning consultation exercises in future years.



## **APPENDIX THREE – Communications approach**

### **Digital Channels**

Various digital channels were used at no cost. This included the web pages at [www.edinburgh.gov.uk/budget](http://www.edinburgh.gov.uk/budget) which were created to provide the core budget information, including links to the 2015/16 proposals and details about how people could get involved. 14,721 people visited the webpage. The page also incorporated a short animated film which summarised the work of the Council, explained the challenges the Council faces and encouraged people to take part. The film was also published on YouTube and was viewed 1,913 times during the campaign.

Other no-cost digital tools were used including an electronic signature, which was incorporated in Council emails. Two e-fliers were also sent to over 700 individuals, businesses and organisations, including various equalities organisations, to encourage people to have their say.

A sustained social media campaign was run which reinforced the weekly themes and focussed on specific proposals to generate discussion and encourage people to get involved. 131 Tweets were posted with a reach of 397,652. This resulted in 501 retweets, 88 favourites and 1,151 people clicking on the links to the website or the planner. 23 Facebook posts reached 31,466, with 1,451 clicking on the links, 168 likes and 139 shares. 5 posts on LinkedIn reached 8,995, resulting in 59 clicks and 13 likes. This proactive social media activity resulted in a total of 524 comments on the budget.

Of those who took part in the planner, 525 also took the option to share their participation via Twitter and 654 through Facebook which helped to raise awareness about the planner and encourage others to take part.

In addition to the general social media engagement, five dedicated Twitter question and answer sessions were organised on each theme with the relevant convener. This gave people the opportunity to ask questions and give their views on specific topics.

### **Media and events**

An initial media briefing was held, following by a number of media releases and news blogs. Photocalls were also held at Granton Day Centre with older people taking part in the planner, and first time voters at Wester Hailes Education Centre. This achieved positive media coverage in the Edinburgh Evening News and Edinburgh Reporter, on the BBC website, and on STV.

The Council also established a partnership with the Evening News which included coverage of a number of opinion pieces by the relevant conveners to tie in with the weekly budget themes.

The Evening News' editor also chaired our webcast Budget Question Time event which is the first such event that the Council has organised. A panel of six senior councillors answered questions from the 40+ guests at the event and the 200 people watching live via the webcast, as well as questions previously submitted by Twitter

and email. This live event was open and accessible to all. The recording of the event has been viewed a total of 862 times. General feedback from participants and those viewing at home was very positive.

## **Marketing**

In addition to promoting the budget through the Council's blog, coverage was also achieved, at no cost, on the Bright Futures blog aimed at parents and schools and in the tenants' newsletter which is sent to over 36,000 people. The Leader also highlighted the budget in three of the Leader's Reports sent to around 12,000 people and during Leader's questions at full Council. A recorded message was also put on the contact centre's phone lines.

A banner advert was also placed on the Evening News and Scotsman web and mobile sites for three weeks which resulted in 562 clicks through to the online budget planner.

To ensure that those people who do not use online channels were aware of the budget engagement, traditional print media such as leaflets and posters were widely circulated to over 750 places and organisations across the city including libraries, community councils and GP surgeries. The leaflet incorporated a form which could be completed and returned via a freepost address. Some paid-for advertising was also used to target off-line audiences including lamppost wraps in high footfall areas across Edinburgh.

To ensure that staff also had the opportunity to have their say on the budget, and to encourage their customers, family and friends to take part, a range of employee engagement activities was carried out. Two events were held with staff with 500 comments captured. As a result of the employee communications, staff provided around 25% of the overall budget feedback with comments on par with the overall views of residents.

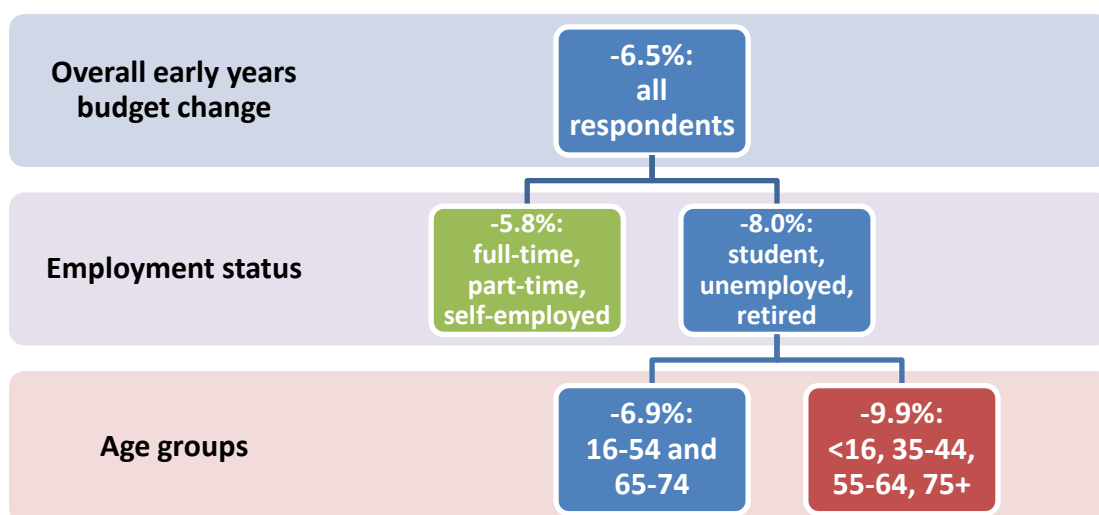
## APPENDIX FOUR – General priorities for Council budget spending

### Children and Families, early years, education and schools

Services for children, especially vulnerable children, were the most protected area in the Council's budget. The average level of reduction for schools, early years and children's social work was well under the 7.5% overall budget pressure. While the scale of the budgets for Children and Families services required most respondents to make reductions in order to balance their submitted budgets, reductions in this area were arguably the most reluctant. Only 6% of respondents suggested a reduction of more than 10% in primary schools, this was 6% for services for vulnerable children, and 7% for secondary schools.

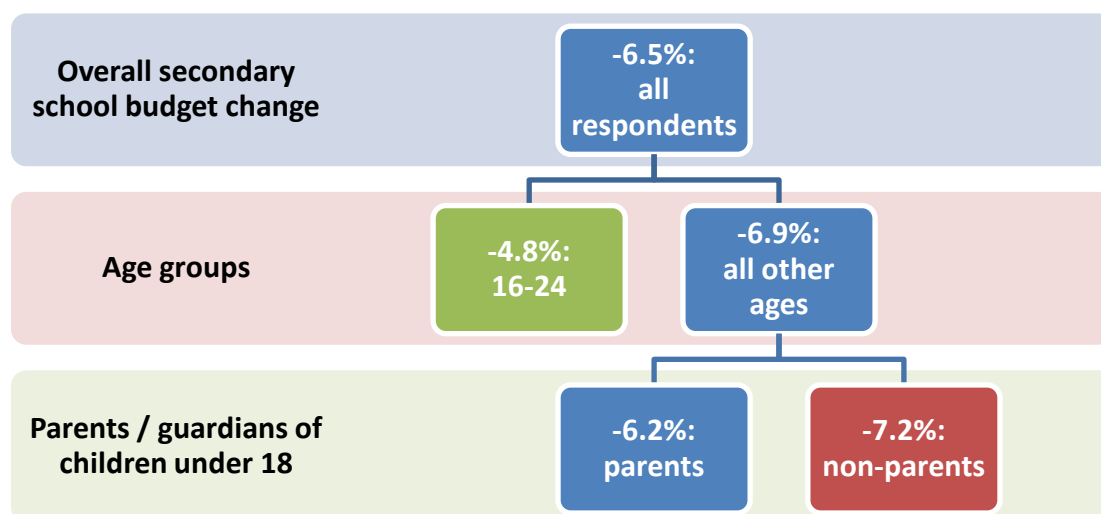
A number of factors appeared to influence how individuals allocated resources to services in this area. Using discriminant analysis it is possible to identify the key factors which influenced levels of spending for early years, primary schools and secondary schools. This analysis determines that these factors are not constant across all stages of education.

When deciding whether or not to prioritise early years education and care, being a parent or guardian of a young child was not important. As shown in the summary below, the lowest level of reduction to early years was made by those in employment, regardless of age, while the highest level of reductions were made by those not in work for a range of reasons, and generally older people within this group.



The main discriminating factor in allocating primary school budgets was being a parent / guardian. Those with children under 18 made average reductions of 5.1% to the primary schools budget, while those without children under 18 made average cuts of 7.1%.

In secondary school budgets being a parent was still an important factor, but the smallest reduction to budgets on average was made by people aged 16-24. This is the age group which is either currently receiving or has recently received secondary education. Again, non-parents made larger reductions on average than parents.



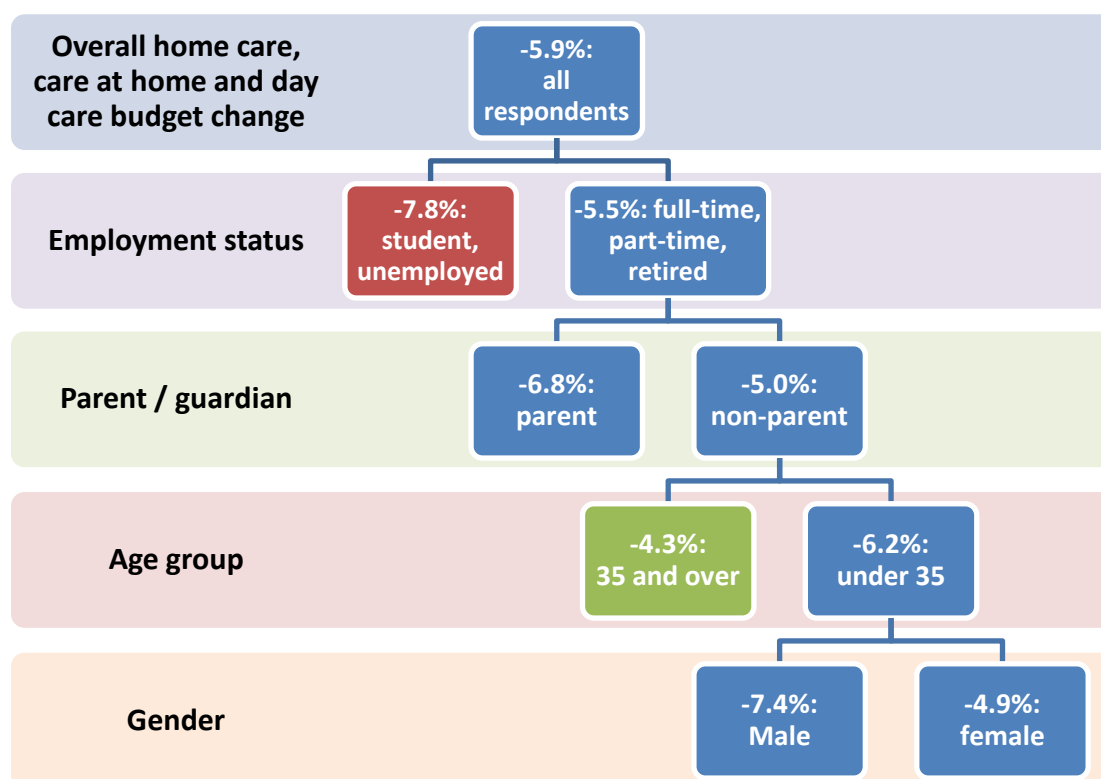
Over the next 20 years, Edinburgh is projected to be home to the fastest growing population of any local authority in Scotland. By 2027 the city's population is projected to rise to almost 566,000 people, an increase of 83,000 (17%) over the level estimated in 2012. The population of children aged 0-15 is projected to grow by 24% (an additional 17,400 children). Pressures on all services for children are therefore likely to increase over this period.

### Services for older people and vulnerable adults

Services for older people and vulnerable adults were amongst the most protected areas of Council spending. Mental health services received an average reduction of only 5.5%, with a quarter of respondents advocating no reduction or an increase in spending. Home care received an average reduction of 5.9%, while care homes received a reduction of 6.9% - which is slightly lower than the overall pressure on the Council's budget.

Demographics were significant in determining by how much a respondent would change the amount of budget for home care, care at home and day care services. Students and unemployed respondents made the largest reductions in this service (7.8%). Of those currently in employment and retired respondents, parents made a reduction of 6.8%, while non-parents made an average reduction of only 5.0%. Because parents have protected primary and secondary schools in their budgets, larger reductions in other services areas with substantial budgets are likely, given that only balanced budgets can be submitted.

Amongst respondents who did not have children under the age of 18, those aged 35 and over made the smallest reductions. This group would include both older respondents who receive home care themselves, but includes far more working-age respondents who are likely to have elderly parents with increasing care needs.

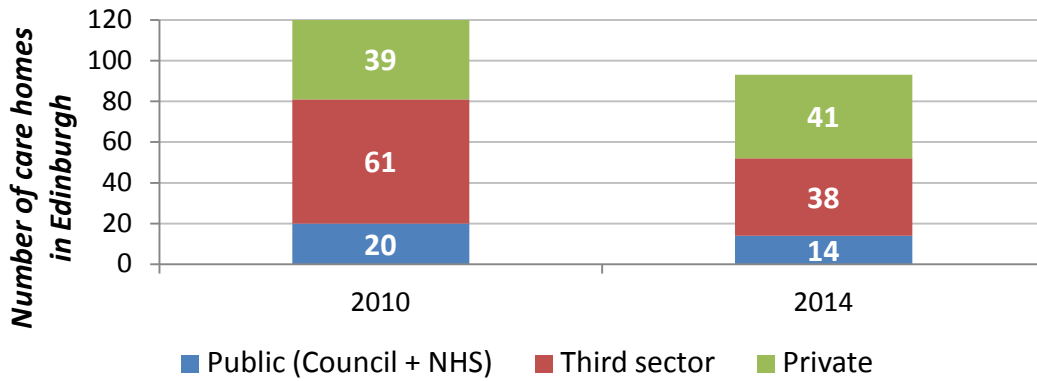


Similar factors – employment, age and being a parent / guardian – correlate with spending on care homes. The overall budget reduction for this service was 6.9%, but the largest reductions were made by students and the self-employed (9.2%) and parents (8.0%). The smallest reduction on average (4.3%) was made by those in the under 16, 55-64 and 75+ age grouping.

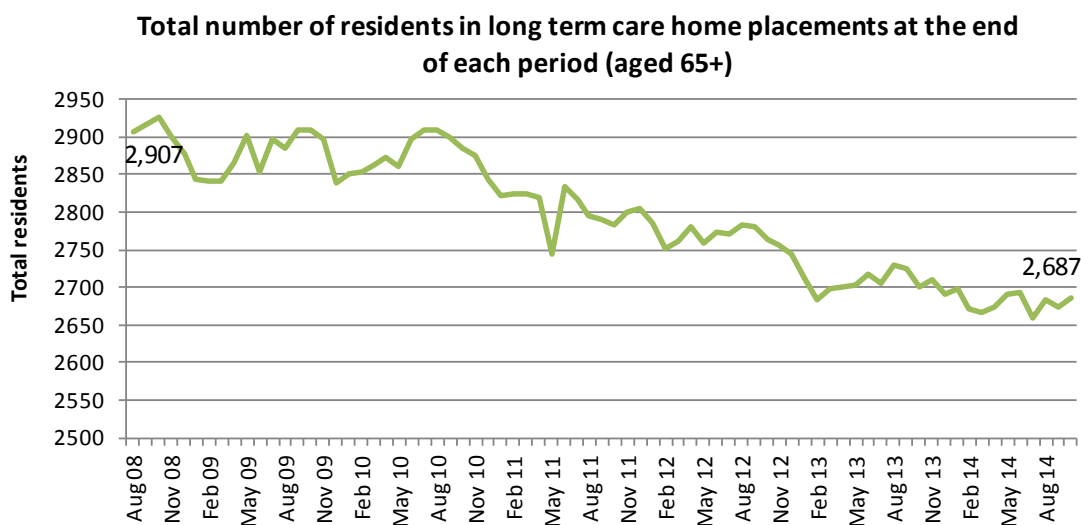
The importance of care for vulnerable adults – in particular older people – was strongly emphasised by older respondents. The impact of community and leisure centre services, assisted outings, libraries and life-long learning was felt to be significant. Older people stated that more support was needed for older people to help them remain active and that the city needed to be more accessible.

The total number of care homes in Edinburgh has fallen in recent years from 120 in 2010 to 93 in 2014<sup>8</sup>. The following graph shows the relative size of sectors; indicating the importance of private and third sector provision relative to the public supply.

<sup>8</sup> Source: ISD care home census, October 2014



The decrease in the number of care homes is matched by a long-term decline in the number of older people being placed in care homes, despite the increase in the total number and proportion of older people living in Edinburgh. From 2008 to 2014, the number of long term residents in care is down by 8%.



While total demand for care services has increased over this period of time, the increase has been in domiciliary care provided either directly by the Council or through agencies. From 2012/13 to 2013/14 the number of hours of domiciliary care increased by 14% to 2.46m hours in 2013/14, but this is against a background of more prioritisation of care to those in greatest need. The proportion of Edinburgh residents over the age of 65 and in receipt of domiciliary care has fallen by a third in the last ten years – around the same level of decrease in Scotland as a whole.

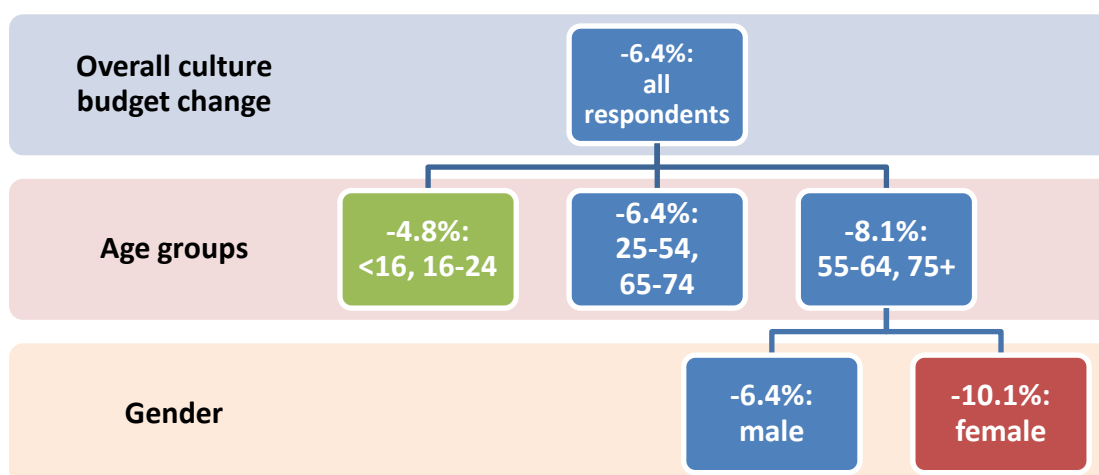
Over the next 20 years, Edinburgh is projected to be home to the fastest growing population of any local authority in Scotland. By 2027 the city's population is projected to rise to almost 566,000 people, an increase of 83,000 (17%) over the level estimated in 2012. The population aged over 65 is projected to grow by 35% (an additional 25,000 older residents). Alongside other trends, including increased longevity, increased numbers of smaller and single person households, these factors are associated with likely increased demand for older people's services in the city.

If all current trends in care provision continue, it is likely that the care needs of a minority of older people will require additional resources, while the rate of older

people receiving care will continue to fall. While some of this will be offset by additional years of good health, for the city to manage this demographic change within anticipated budgets will require emphasis on services that ensure adults remain active, healthy and engaged for as long as possible.

### Culture, leisure and major events

The budget for cultural services was reduced by only 6.4% overall and reduced by the smallest on average amount by those aged under 24. Cultural budget reductions tended to increase with age, and were highest amongst older women. Similar results have been noted in previous Edinburgh People Surveys, where support for and engagement in cultural activities is highest amongst younger age groups and decreases with age. However it is also possible that respondents, especially older and more affluent residents, believe they are more able to bear the full cost of cultural activities.



The 10.5% average reduction to the major events programme was amongst the largest budget change identified in the budget engagement. Additionally, 41% of respondents submitting a budget suggested that this area be cut by 15% or more. Age was the main factor determining the level of spending on the budget for the major events programme and public safety. As with culture, budget reductions increased with the age of respondents.

Budget respondents do not appear convinced that spending on major events delivers real benefits for Edinburgh residents. While there was some opposition to major events in principle; to Edinburgh being seen as a ‘party town’ to the detriment of residents – the more significant objection appears to be rooted in the belief that major events can be made to pay for themselves directly either through sponsorship, direct charges to companies who benefit, or having the private sector manage delivery of major events.

However it is important to note that a large majority of Edinburgh residents consistently states that the festivals make Edinburgh a better place to live (77% in

2014) compared to only a minority who feel they make Edinburgh a worse place to live (2% in 2014).

There were no significant discriminating factors in terms of spending on sport and physical activities. Although the average reduction was higher than the average reduction for culture (7.4% compared to 6.4%), this was fairly consistent across all age groups and demographics. As discussed previously, access to appropriate facilities was felt to be important to people of all ages and backgrounds.

### **Waste collection and recycling**

Waste received an overall reduction in its budget of 6.6% and showed no strong bias for any demographic group.

The percentage of Edinburgh residents who are satisfied with waste collection has decreased dramatically following the change to fortnightly collection – with recycled material and residual waste being collected on alternating weeks. The Edinburgh People Survey shows that prior to the change satisfaction amongst residents aged 16+ was 87% (2011) and had been consistently around this level for as long as the Council monitored satisfaction with this indicator. Following the change, satisfaction fell to 78% (2012), then to 75% (2013). The most recent results, which are still being analysed and may be subject to change, show satisfaction with refuse collection at 61% (2014). Complaints relating to refuse collection are consistently the number one complaint about the failure of any Council service.

Analysis of satisfaction results from these surveys show that capacity may be a key issue for respondents – with households that include children showing lower levels of satisfaction. The service is in the process of introducing larger recycling bins to help address this and initial results suggest that recycling rates are up substantially in areas where these bins have been introduced.

Edinburgh currently recycles more of its waste than the average of all other Scottish cities (38% compared to 30%). The city has improved its recycling rate by more than the Scottish average, but still recycles less than the Scottish average (42% in 2013/14).

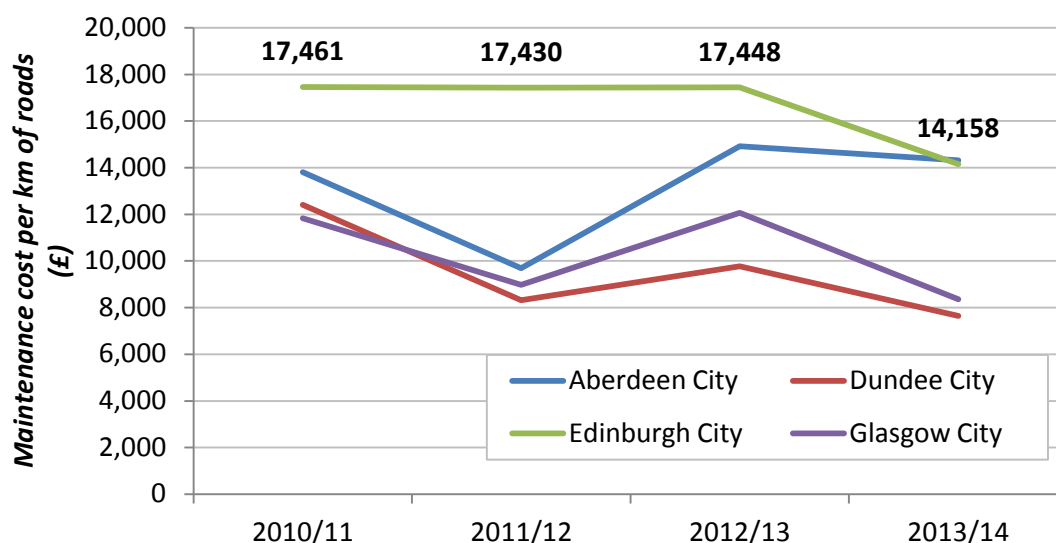
### **Roads, pavements and public transport**

Men favoured spending on roads and street lighting more highly than women. The average reduction in budgets submitted by men was 5.7%, compared to an average reduction of 8.5% in budgets submitted by women.

A range of information sources suggest that, generally, the quality of roads is more important to men, particularly drivers and those in their thirties and forties – their concerns tend to relate to efficiency of the transport network and damage to vehicles. By contrast the maintenance of pavements is of greater concern to older residents and to, a lesser extent, parents of young children – these two groups being more concerned about the safety of pavements.



Over the last four years reported spend on the maintenance of urban roads, per kilometre, in Edinburgh has been higher than other Scottish city Councils. The following graph shows this spending in each of the last four financial years for the four Scottish cities.



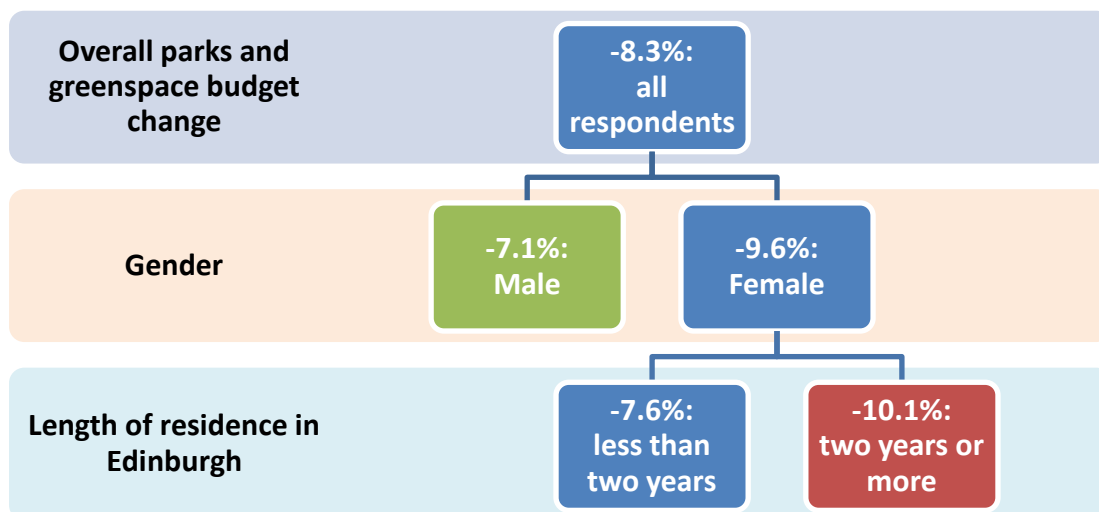
Despite this relatively high level of funding, overall satisfaction with the quality of roads and pavements in the city has remained flat. In 2010, 52% of residents aged 16+ were satisfied with roads and in 2014, 47% were satisfied. Respondents to the budget engagement appeared to be aware of the patching process for making temporary repairs to roads, and felt this was a false economy due to repeating temporary repairs.

The average level of increase in parking charges for all respondents was 12.5%. Almost half (44.8%) of respondents completing a budget wanted to see the maximum increase allowed by the online planner (20%), while only 8.6% of respondents favoured lowering parking fees and 5.8% felt they should be unchanged.

### Environment, parks and street cleaning

The overall appearance of the city is a source of general civic pride, but the look and feel of the city appears to affect respondents differently. The Council's Reputation Tracker identified that people aged 16-24 consider the appearance of the city as one of the main reasons for being satisfied with the Council. Amongst older residents the appearance of the city is almost equally likely to be cited as a reason for dissatisfaction with the Council.

Spending on parks was highest amongst men, who made an average of 7.1% reductions to the parks budget – compared to all women, who made an average reduction of 9.6%. However there was a distinct difference between women who had recently moved home and those who had lived in their current home for longer, with more established female residents making larger reductions to the parks budget.



The budget for street cleaning was reduced by an average of 8.5%, above the overall estimated budget pressure of 7.5% in 2017/18. While street cleaning is, like refuse collection and roads, seen as a core local authority service, it is clearly not a priority for most residents. Almost a quarter (24%) of respondents included a reduction of 15% or more in their completed budgets.

Over a number of years the Council has improved and maintained objective measures of street cleanliness, but this remains a regular item of negative feedback from respondents to the Edinburgh People Survey and the Council's Reputation Tracker. Overall satisfaction with street cleaning has shown no long term change amongst residents.

### Council Tax and other revenue options

Respondents using all communication channels suggested that the Council needed to raise Council Tax rather than cut services. This varied from individuals stating that they would be able to pay more themselves in order to protect vital services, to the suggestion that Council Tax bands be reassessed to ensure those who earned most paid more. Amongst those suggesting an increase in Council Tax it appears to be generally understood that this was a Scottish Government policy.

It was suggested that the Council needed to concentrate on raising revenues before reducing services. Alongside Council Tax, respondents made reference to a dedicated 'tourist tax' which they reported paying when visiting other European cities. They felt that a similar levy could be introduced in Edinburgh and it would have no impact on the number of visitors. In contrast to understanding of Council Tax arrangements, there did not appear to be any understanding that a visitor tax would require Scottish Government legislation.

Respondents using the online planner requested a number of additional revenue-raising options to go alongside parking charges.

# Finance and Resources Committee

10:00am, Tuesday, 3 February 2015

## Housing Revenue Account Budget 2015/16

Item number 7.6  
Report number  
Executive/routine  
Wards

### Executive summary

In 2007, following consultation with tenants, a rent strategy was adopted of annual rent increases of inflation plus 2.7% until 2015 and by inflation only thereafter.

This report proposes a Housing Revenue Account (HRA) budget for 2015/16 which:

- a) Is based on a rent increase of inflation, in line with the current rent strategy.
- b) Delivers investment priorities as developed in partnership with tenants.
- c) Manages risk in relation to welfare reform and its impact on rent collection and arrears; as well as the risk of increasing management costs associated with ensuring compliance with the Scottish Government Guidance on managing local authority HRAs.

At its meeting on 11 November 2014, Health, Social Care and Housing Committee noted progress on delivering new Council homes, meeting the Scottish Housing Quality Standard and achieving high levels of tenant satisfaction. It agreed investment priorities for the next five years and noted options for a future rent strategy. Committee also agreed that the decision on rent levels for 2015/16 should be determined as part of the Council's overall budget at the meeting of City of Edinburgh Council on 12 February 2015.

### Links

Coalition pledges [P30](#) [P8](#)  
Council outcomes [C10](#) [C16](#) [C25](#)  
Single Outcome Agreement [SO2](#) [SO4](#)

## Housing Revenue Account Budget 2015/16 and Rent Options 2015-2020

### Recommendations

---

It is recommended that Finance and Resources Committee:

- 1.1 Notes the progress in delivering new Council homes, meeting the Scottish Housing Quality Standard and high levels of tenant satisfaction.
- 1.2 Notes the potential risks to the Housing Revenue Account (HRA) and how these are being managed.
- 1.3 Refers the report to the City of Edinburgh Council Budget Meeting on 12 February 2015 for approval.

### Background

---

- 2.1 The HRA Budget for 2015/16 is based on the HRA Business Plan (Business Plan). This is a 30 year financial model which sets out planned annual revenue income and expenditure. It sets out how the HRA will contribute to delivering the City Housing Strategy outcomes:
  - People live in a home they can afford.
  - People live in a warm, safe and accessible home in a well-managed neighbourhood.
  - People can move home if they need to.
- 2.2 The Business Plan sets out projected levels of capital investment required to ensure that Council homes and surrounding neighbourhoods are well maintained and meet modern standards. It also sets out how much will be invested in building new affordable homes to meet the city's housing needs for more affordable housing.
- 2.3 In 2007, following consultation with tenants, a rent strategy was adopted of increasing rents annually by inflation plus 2.7% until 2014/15 with rents rising by inflation thereafter. This rent strategy allowed the Council to fund the investment required to meet the Scottish Housing Quality Standard (SHQS) and deliver new affordable homes.
- 2.4 Over the last 18 months, the Housing Service has been consulting tenants through the 'Your Rent, Your Priorities' consultation. The purpose of the consultation was to identify investment priorities and establish tenants' views on rent levels.

- 2.5 At its meeting on 11 November 2014, Health, Social Care and Housing Committee noted this consultation and progress on delivering new Council homes, meeting the Scottish Housing Quality Standard and achieving high levels of tenant satisfaction. Committee agreed investment priorities for the next five years and noted the options for a future rent strategy.
- 2.6 Committee also agreed that the decision on rent levels should be determined as part of the Council's overall budget at the meeting of the City of Edinburgh Council on 12 February 2015.

## Main report

---

- 3.1 The purpose of this report is to set out the proposed HRA Budget for 2015/16, which is attached at Appendix 1. The budget is presented to Council annually and is based on the 30 year HRA Business Plan.
- 3.2 The HRA Business Plan is based on a set of assumptions which are reviewed every six months to ensure forecasting is up to date. The main assumptions can be found at Appendix 2a. These assumptions have been further reviewed in light of the debate at the Health, Social Care and Housing Committee meeting of 11 November 2014.
- 3.3 The proposed HRA budget for 2015/16 assumes a rent increase of inflation set at 2%. Inflation is based on the Bank of England's target inflation rate and is in line with the inflation assumptions held within the Council's Long Term Financial Plan.
- 3.4 The Business Plan and the 2015/16 Budget are based on a draft 30 year capital investment programme, an outline of which can be found at Appendix 3.

### **Achievements**

- 3.5 Effective management of the HRA has ensured that the Council has been able to make significant progress in meeting housing objectives. The Housing Service is:
  - One of the top three Scottish local authorities for tenant satisfaction in relation to the housing service (90% compared to average of 81%), quality of home (89% compared to average of 81%) and neighbourhood (89% compared to average of 79%).
  - Starting construction of over 700 high quality new homes in the Pennywell and Muirhouse area as part of the 21st Century Homes initiative – one of the largest regeneration schemes in the country.
  - On track to comply with the key elements of the SHQS in 2015.
  - Reducing borrowing costs through effective treasury management. This has meant that £213 million has been invested over the last five years, while borrowing has only increased by £57 million.
  - As a result of investing in improving existing homes, the number of repairs required to homes is reducing.

## **Five Year Investment Priorities**

3.6 On 11 November 2014, following consultation with tenants through 'Your Rent, Your Priorities', Health, Social Care and Housing Committee agreed investment priorities for the next five years. The investment priorities are:

- Reduce household energy costs.
- New affordable homes.
- Provide a quality repairs service.
- Invest in neighbourhoods.

3.7 In addition to meeting these priorities, there are a number of statutory requirements that the investment programme needs to address. These include:

- Ensuring Council homes meet the SHQS by 2015 (and continue to meet that standard thereafter).
- Ensuring Council homes meet the Energy Efficiency Standard for Social Housing (EESH) by 2020.
- Health and Safety obligations.

## **Investing in Existing Homes**

3.8 This approach reflects the priority given to maintaining quality services for existing tenants first and the provision of new homes once these priorities are achieved.

3.9 Significant progress has been made in further improving the quality and condition of Council homes. By 2015 most homes will comply fully with the SHQS, albeit 3,000 homes will lack a secure door entry system due mainly to the challenges of getting agreement from other owners in the block where the Council is not in the majority.

3.10 These investment priorities have informed the preparation of the capital investment programme. The five year HRA Capital Investment Programme is set out in Appendix 4. Key elements of this programme include:

- £35 million to provide 5,000 tenants with new kitchens and bathrooms.
- £3 million to fit secure door entry systems in 1,240 homes in 240 blocks.
- £15.3 million to install new heating systems in 5,100 homes.
- £6 million to insulate 800 'hard to treat' homes.
- £3.4 million to provide 1,200 tenants with replacement, triple glazed windows.
- £7.5 million to adapt 2,500 homes to ensure that tenants can remain at home.
- £12.5 million to improve neighbourhoods across the city.

- 3.11 In order to meet EESSH by 2020, all Council homes must have efficient heating systems and be adequately insulated. The capital investment programme includes resources to ensure all properties in multi-storey blocks receive, at a minimum, modern, smart, electric heating systems. Heating options are currently being considered, including the feasibility of installing district heating systems in some of these blocks where there are neighbouring buildings which could also participate in district heating schemes. In addition, a smart electric heating system is being piloted in two blocks in the city. An evaluation of this pilot along with a review of options for appropriate use of district heating systems will inform the future strategy for multi-storeys.
- 3.12 Investment in energy efficiency works will be supplemented by bringing in as much grant as possible through schemes such as, Home Energy Efficiency Programmes for Scotland and the Energy Company Obligation. This funding can be used to support owners to contribute to works in mixed tenure blocks.

### **Investing in New Supply**

- 3.13 Edinburgh needs an additional 16,000 affordable homes over the next 10 years. New affordable homes are delivered through a number of funding mechanisms, with new Council homes delivered through the 21<sup>st</sup> Century Homes programme.
- 3.14 New Council homes have been completed in Gracemount, Craigmillar and Pilton. The regeneration of Gracemount being recognised through winning a considerable number of national awards. New homes are under construction in Pennywell, in one of the country's largest regeneration projects and commitments have been made to build homes in Leith (Fort) and North Sighthill.
- 3.15 On 11 November 2014, Health, Social Care and Housing Committee agreed the business case for developing an additional 400 affordable homes through the 21<sup>st</sup> Century Homes Programme. While making an overall positive contribution to the HRA revenue budget over time, this will require additional capital investment of around £46 million and has been included in the HRA Business Plan assumptions. Additional grant would be sought from the Scottish Government to support the delivery of social rented homes and developer contributions would reduce the HRA contribution further.

### **HRA Value for Money Strategy**

- 3.16 In the most recent tenant survey 94% of tenants said they thought the housing service was value for money or did not express a view.
- 3.17 Benchmarking shows that customer satisfaction with the housing service, the quality of tenants' homes and the quality of their local neighbourhoods is high compared to other local authority landlords. Housing management costs are comparatively low compared to other landlords and the cost of the repairs to the HRA is reducing as a result of improved quality through capital investment. Some overheads are above average compared to other landlords, in particular IT and premises costs and the unit cost of repairs.

- 3.18 In the last twelve months new housing asset management and repairs contracts have been procured, which will allow the Housing Service to deliver better value in property maintenance and improvement. The HRA disposal and acquisition strategy, agreed by the Health, Social Care and Housing Committee in June 2014, will allow the Housing Service to sell vacant homes that are costly to maintain and manage with the proceeds being used to build new modern cheap to heat homes and consolidate mixed tenure repairs.
- 3.19 The intention is to build on this approach to value for money and to ensure compliance with the Scottish Social Housing Charter which requires landlords to work with tenants to evidence value for money. The Housing Service will work through the tenants Panel to develop a value for money strategy in 2015 to ensure that tenants get the best possible value for money for the rent they pay. The key elements of this strategy will be to:
- Maintain and improve customer satisfaction with services.
  - Modernise access to services for tenants by making greater use of technology.
  - Support low income households reduce their household costs.
  - Ensure revenue and capital costs are compare favourably with other similar landlords.

### **Risks to the HRA Business Plan**

- 3.20 The HRA Business Plan faces a number of considerable risks and challenges the scale of which are greater than at any time since the HRA Business Plan approach was introduced in 2006.

#### Welfare Reform – Universal Credit and Rental Income

- 3.21 The introduction of under-occupation placed significant pressure on the management of rent collection in 2013/14. Like almost all local authority landlords the Housing Service experienced a significant increase in rent arrears during this period. Another major cause of the increase in rents arrears is the suspension of housing benefit payments as a measure to reduce the risk of fraud and over-payment.
- 3.22 While rent arrears appear to have stabilised in 2014/15, rent collection presents significant challenges and is still fragile. Uncertainty around future income and the impact of welfare reform continues to present significant risks. The introduction of Universal Credit is projected to have a significant impact on rental income as it is proposed that housing costs (currently met through Housing Benefit) will be paid directly to tenants, rather than directly to the Council's housing service, as is currently the case. Universal Credit will begin to be phased in from March 2015.
- 3.23 The Business Plan now assumes that a minimum of £20 million is held in reserve as a contingency to manage the impact of welfare reform. This would allow the HRA to manage a short term 50% loss of Housing Benefit income,



arising from the introduction of Universal Credit and direct payment of benefit to tenants.

#### Welfare Reform - Temporary Accommodation Rental Income

- 3.24 The introduction of the Benefit Cap was anticipated to have a significant impact on rental income from temporary accommodation. Projected rental income from temporary accommodation was, therefore, reduced for 2014/15 to manage this. There were delays in the UK Government's introduction of the Benefit Cap and the impact has been less than initially anticipated in 2014/15. However, this remains a significant risk for 2015/16, therefore rental income from temporary accommodation is projected to reduce from £8.3 million in 2014/15 to £5 million in 2015/16.

#### Managing Rent Arrears

- 3.25 Over 95% of HRA income is derived from rental income, therefore effective management of rent collection is critical. Despite the growth in arrears in 2013/14, rent collection performance was 99.1% of rental income due compared to a national average of 98.9%.
- 3.26 At any one time up to 2,000 tenants have their Housing Benefit payments delayed or suspended. It is difficult to estimate the extent of arrears arising from disrupted payments of legitimate housing allowances, but it is significant. In order to minimise the risk to the HRA arising from delayed and suspended benefit claims, the HRA currently provides additional resources to support the administration of Housing Benefit for Council tenants.
- 3.27 In addition, a specialist welfare reform team was established in the Housing Service to provide advice to tenants who were particularly affected by welfare reform. As a result of this and targeted work by local rents teams in the neighbourhoods, only 130 of the 3,300 tenants who were affected by under-occupation regulations have not engaged with services.
- 3.28 As part of managing the risk associated with rent arrears, the HRA budget contains provision for bad debt. This is an amount that is set aside within the budget to deal with debt that is likely to be written off. In 2013/14, rent arrears peaked and as such, the bad debt provision was increased by £1.7 million. As a result of the management of rent arrears, a rent payment advertising campaign and investment in the welfare reform team, the position has stabilised throughout 2014/15. This means that the increase in bad debt provision can be reduced to £0.5 million for 2015/16.

#### Scottish Government Guidance on Local Authority Operation of HRAs

- 3.29 In 2014, the Scottish Government published revised Guidance on the operation of local authority HRAs. In light of this, a review of the operation of the HRA will be carried out with tenants. The scope of the review has been agreed with ETF and tenants will be involved through the establishment of a Tenant Consultative Board.

- 3.30 As part of this work, the apportionment of staffing costs between the HRA and the General Fund will be reviewed to ensure they are appropriate. In addition, the Housing Service buys a number of services from other parts of the Council, such as community safety, environmental maintenance and public health. These costs are being reviewed as part of this work, to ensure appropriate apportionment of costs between the HRA and General Fund.
- 3.31 A baseline for allocating costs between HRA and General Fund has been established. This is reflected in the current budget proposals and will be kept under review throughout the coming year.
- 3.32 The key feature of the HRA Guidance is that the HRA should operate in the interests of current and future tenants. This covers, not only HRA capital and revenue expenditure, but also the use of reserves. The HRA reserve is held within the Repairs and Renewal (R&R) Fund, which was historically a combination of General Fund and HRA reserves. However, since 2013/14 when the Council wide element was transferred out of the R&R Fund and into an earmarked part of the General Fund, the R&R Fund has been exclusively an HRA reserve.
- 3.33 The R&R Fund is now predominantly earmarked for supporting development costs associated with 21<sup>st</sup> Century Homes. It also serves as a contingency to manage the risk of income loss arising from welfare reform. This approach is in line with the Scottish Government Guidance and the Council will continue to manage HRA reserves in the best interest of current and future tenants.

### **Funding Investment Priorities**

- 3.34 2014/15 is the final year of annual increases of inflation plus 2.7% under the current rent strategy. This strategy has enabled the Council to provide a housing service with some of the highest levels of tenants satisfaction, ensured compliance with SHQS and has delivered the first new Council homes for a generation.
- 3.35 Three options for five year rent strategies were presented to Health, Social Care and Housing Committee on 11 November 2014. The assumption in the HRA Business Plan for inflation is 2%. The options were:
- Option1 - Inflation
  - Option 2 - Inflation +1%
  - Option 3 - Inflation +2.7%
- 3.36 Following the debate at the Committee meeting, assumptions have been reviewed and the revised impact of the rent options on the business plan can be found at Appendix 2b.
- 3.37 Each option includes three core assumptions:
- Investment requirements of existing homes are met (including SHQS, EESSH, Health and Safety)

- A minimum of £20 million in reserve to manage the impact of welfare reform.
  - The construction of 400 additional Council homes over the period 2017/18-2019/20.
- 3.38 Management costs reflect an inflation assumption of 1% in line with pay awards and additional costs of rent collection to support tenants pay their rent.

### **Affordability**

- 3.39 Following the Health, Social Care and Housing Committee meeting in November 2014, some further analysis and testing of affordability was carried out using hypothetical cases and real life case studies. This analysis took account of recently announced tax and benefit changes to provide a more accurate assessment of the impact of rent strategy options on household budgets. The findings can be found at Appendix 4.
- 3.40 It is proposed that a comparative study on the impact of rent levels on tenant household budgets will be commissioned in 2015/16 to inform future rent levels.
- 3.41 Approximately 16,100 (84%) or five out of six Council tenants are eligible for Housing Benefit, therefore any rent increase would not directly affect their household budget. The level of Housing Benefit is not determined by the rent level, but by the household income.
- 3.42 Approximately 3,100 (16%) or one out of six tenants is not in receipt of any level of housing benefit and would be required to meet the cost of the rent increase. Based on inflation at 2%, tenants would see increases in their rent charge of between £1.40 and £2.29 per week under rent option one, between £2.10 and £3.43 for option two, and between £3.30 and £5.37 under option three (depending on house size).

### **Business Plan Revisions**

- 3.43 Following the debate on the 'Council Housing Business Plan – Investment Strategy and Rent Options 2015-2020' report which was considered by Health, Social Care and Housing Committee on 11 November 2014, some revisions have been made to the assumptions underlying the Business Plan.
- Additional, unbudgeted income from developer contributions and Scottish Government grant, combined with some slippage in the capital investment programme has resulted in lower than anticipated borrowing in 2014/15. The programme slippage will have no impact on the Council's ability to meet SHQS by 2015 and programmes have been re-profiled for the subsequent four years.
  - This re-profiling of the capital programme and effective treasury management means that loan charges for 2015/16 are £1.1 million lower than anticipated in the November report to Health, Social Care and Housing Committee.

- In addition, the reduction in the number of repairs is greater than originally anticipated and means that the repairs budget assumptions have been reduced over the next five years to reflect this.

### Impact of Rent Strategy on Budget 2015/16

3.44 The draft budget presented in Appendix 1 assumes rent increases at inflation over the next five years. The impact of adopting an above inflation increase is to raise the level of income, making more resource available for capital investment, contingency or debt reduction. The table below shows the impact of each option:

	<b>Option 1 (Inflation)</b>	<b>Option 2 (Inflation +1%)</b>	<b>Option 3 (Inflation +2.7%)</b>
<b>Net Income</b>	£92.435m	£93.334m	£94.862m
<b>Revenue Investment</b>	£12.548m	£13.447m	£14.975m

3.45 Irrespective of which rent strategy option is taken forward, the Council is required to prepare a balanced HRA Budget each year.

### Measures of success

---

- 4.1 Council homes meet the SHQS and are maintained at a level which exceeds SHQS.
- 4.2 Council homes meet the EESSH by 2020.
- 4.3 Tenant satisfaction with the housing service, home and neighbourhood continues to be above the average for Scottish local authorities.
- 4.4 A minimum of an additional 400 affordable homes are delivered in the next five years of the Business Plan.
- 4.5 High levels of customer satisfaction with the housing service are maintained.

### Financial impact

---

- 5.1 The HRA business planning process ensures the HRA is in a position to deliver investment requirements and manage risk. Delivering the priorities identified in this report, including an additional 400 affordable homes through expanding the 21<sup>st</sup> Century Homes programme, will require investment of approximately £270 million over the next five years.
- 5.2 An inflationary rent increase allows key priorities outlined in this report to be delivered whilst managing risk and maintaining a balanced position on the HRA.

### Risk, policy, compliance and governance impact

---

- 6.1 Failure to establish a robust Business Plan may result in reduced investment in existing Council homes and services, which would have a negative impact on performance and tenant satisfaction levels.

- 6.2 Reduced levels of investment would also impact the Council's ability to meet statutory minimum standards for existing homes and to develop new affordable homes through the 21<sup>st</sup> Century Homes programme.
- 6.3 The rent strategy is reviewed annually so it continues to ensure affordability for tenants and sustainability for the HRA.

## **Equalities impact**

---

- 7.1 The proposals in the report will have a positive impact on Council tenants.
- 7.2 Investing in improving the condition of existing homes will increase energy efficiency.
- 7.3 Provision is made within the investment programme for adapting Council homes to meet the needs of older and disabled tenants.
- 7.4 The 21<sup>st</sup> Century Homes programme will deliver nearly 400 new accessible homes, 10% of which will be built to wheelchair accessible standards.
- 7.5 Changes in tax and benefit rules will be the main factors that affect household income in 2015/16. The choice of rent strategy has minimal impact on household budgets but greater levels of investment would have a beneficial impact on quality of life through investment in existing and new homes. Those who have to spend the highest proportion of their income on rent (single people on minimum and living wage) would actually spend a lower proportion of their income on rent, following an inflationary rent increase.
- 7.6 The Council provides a comprehensive rent service which identifies tenants who are in arrears and provides advice and support to help them manage their arrears and sustain their tenancy. Statutory pre-court action requirements ensure that no eviction actions are carried out against any tenant until all other options have been exhausted.

## **Sustainability impact**

---

- 8.1 Investing in improvements to Council homes will increase energy efficiency and lead to a reduction in carbon emissions.
- 8.2 21<sup>st</sup> Century Homes will deliver new affordable homes on brownfield sites, reducing pressure on Edinburgh's green belt. New homes are built to high standards in terms of energy efficiency and sustainability.

## **Consultation and engagement**

---

- 9.1 An extensive Tenant Survey was carried out in 2013, the results of which are helping to inform future investment priorities and the shape of the housing service. Over 1,000 tenants were surveyed, with the results being reported to Health, Social Care and Housing Committee on 18 June 2013.
- 9.2 The 'Your Rent, Your Priorities' consultation for Council tenants ran between October 2013 and March 2014. The purpose of the consultation was to identify tenant priorities for investment and views on affordability to help inform the

Council's future rent policy from April 2015 onwards. This consultation, as well as ongoing liaison with Edinburgh Tenants Federation (ETF) has informed the five year investment priorities and draft budget for 2015/16.

- 9.3 Tenants Panel meetings were held across neighbourhoods in January 2015 to discuss the content of the draft Budget for 2015/16, including the outline capital investment programme.
- 9.4 ETF has advised that it will be campaigning for no rent increase to be applied in 2015/16. Those speaking in support of this campaign have observed that there is a great deal of uncertainty in terms of welfare reform and the economy and that a rent freeze would provide "some breathing space" for tenants.
- 9.5 ETF has stated that it believes the proposal to maintain a minimum balance of £20 million in reserve is excessive and has proposed that new house building should be slowed down to facilitate no rent increase in 2015/16. ETF disagrees with officers' analysis on affordability. It has also said that no rent increase should be introduced when the shape of the Council, and the housing service, is unclear.
- 9.6 ETF has provided briefing material to its members and supported them to lobby their local councillors and other politicians for no rent increase in 2015/16.
- 9.7 However, other tenants have also stated that they felt the Housing Service provided good value for money, which reflects the findings of the Tenants Survey from 2013. Some tenants stated that a small rent increase might be "a price worth paying" and that "maybe a few people could manage a small rent increase for the benefit of the many", referring to the fact that five out of six tenants would have an increase met by Housing Benefit.
- 9.8 Engagement with tenants will continue throughout 2015/16 to ensure tenants are involved in shaping the Value for Money strategy.

## **Background reading/external references**

---

[Council Housing Business Plan – Investment Strategy and Rent Options 2015-2020, Report to Health, Social Care and Housing Committee, 11 November 2014](#)

[City Housing Strategy 2012-17 Annual Review – Health, Wellbeing and Housing Committee, 17 June 2013](#)

[21<sup>st</sup> Century Homes – Future Programme Update – Health, Social Care and Housing Committee, 11 November 2014](#)

### **John Bury**

Acting Director of Services for Communities

Contact: Gillian Campbell, Acting Housing Strategy Manager

E-mail: [gillian.campbell@edinburgh.gov.uk](mailto:gillian.campbell@edinburgh.gov.uk) | Tel: 0131 529 2252

## Links

---

<b>Coalition pledges</b>	<p>P30. Continue to maintain a sound financial position including long-term financial planning.</p> <p>P8. Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p>
<b>Council outcomes</b>	<p>C10. Improved health and reduced inequalities.</p> <p>C16. Well-housed – people live in a good quality home that is affordable and meets their needs in a well-managed neighbourhood</p> <p>C25. The Council has efficient and effective services that deliver on objectives.</p>
<b>Single Outcome Agreement</b>	<p>SO2. Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.</p> <p>SO4. Edinburgh's communities are safer and have improved physical and social fabric.</p>
<b>Appendices</b>	<p>Appendix 1 – Draft HRA Budget 2015/16</p> <p>Appendix 2a – Business Planning Assumptions</p> <p>Appendix 2b – Impact of Rent Options on HRA Business Plan</p> <p>Appendix 3 – Outline Capital Investment Programme</p> <p>Appendix 4 - Affordability Of Rent Options</p>

## Appendix 1 - Housing Revenue Account Budget 2015/16 (Draft)

Narrative	2014/15 revised budget £m	Change £m	Change %	2015/16 proposed budget £m	Notes
					1
<b>Income</b>					
Net rent income	90.332	2.103	2%	92.435	2
Temporary accommodation	8.332	-3.240	-39%	5.092	3
Other income	4.042	0.040	1%	4.082	4
<b>Total income</b>	<b>102.706</b>	<b>-1.097</b>	<b>-1%</b>	<b>101.609</b>	
<b>Expenditure</b>					
Housing Management	22.247	1.262	6%	23.509	5
Repairs & maintenance	18.990	-0.572	-3%	18.418	6
Debt charges	38.700	1.524	4%	40.250	7
Environmental maintenance	2.505	0.412	16%	2.917	8
Temporary accommodation (direct costs)	6.641	0.092	1%	6.733	9
Bad debt provision (set aside)	1.700	-1.2	-71%	0.500	10
Revenue Investment	11.923	0.625	-22%	9.282	11
<b>Total expenditure</b>	<b>102.706</b>	<b>2.143</b>	<b>-1%</b>	<b>101.609</b>	
<b>Outturn</b>	<b>0.000</b>	<b>0.000</b>	<b>0%</b>	<b>0.000</b>	

### Notes:

1. 2015/16 budget figures are based on the 2015/16 HRA Business Plan. The 2014/15 figures are based on the revised HRA budget.

2. 'Net rental income' is the total rent that could be charged, minus written off former tenant arrears (0.75%) and rent loss due to empty homes (0.75%). It also takes account of the variation in housing stock numbers and rent increase of 2.0% for 2015/16.

3. This is income from Council homes that are used as managed or dispersed Temporary Accommodation and is unchanged from 2014/15. To manage risk and uncertainty in relation to welfare reform, in particular the impact of the Benefit Cap, income to temporary accommodation is projected to reduce.

4. This includes service charges to tenants, non-housing rents, Government grant income, recovered costs from owner occupiers. An inflationary increase of 2.5% has been applied to all 'Other income' for 2015/16, apart from land rent and core furnished tenancies, which has not increased. No increase has been applied to land rent and core furnished tenancies which is why the net increase amounts to only 1%.

5. 'Housing Management' includes employee costs, central support costs and recharges, premises and other expenditure. Initial reapportionment of employee costs to comply with HRA guidance has resulted in a net increase of management costs charged to the HRA. However, benchmarking shows that the Council's Housing Management costs are lower than average, compared to other similar landlords across the UK. The Council is in the upper quartile



(lowest cost) for antisocial behaviour, tenancy management and lower than average cost for lettings management. 1% pay award has been applied to employee costs, 2% to premises costs and Central Support Charges. The Council established a Welfare Reform Team to provide additional support to tenants affected by welfare reform. Initially this was funded through Transitional Funding from the Department of Work and Pensions. It was agreed that this service would continue, with funding from the HRA. In addition, the HRA funds a number of staff members in Corporate Governance to reduce delays in Housing Benefit processing for Council tenants.

6. As a result of investing in improving the quality of homes, the number of repairs required has reduced, therefore the repairs budget has been reduced by 3%. This covers responsive repairs, empty property repairs and sheltered housing repairs. This has been adjusted for projected stock loss from right to buy sales, additional new homes from the 21<sup>st</sup> Century Homes programme and an uplift of 2% on costs.

7. 'Debt charges' are capital financing costs (principal repayments, interest & expenses) for HRA debt for existing stock and the planned investment programme. The 2015/16 debt charges assume that no Capital Funded from Current Revenue (CFCR) has been used to repay debt at the end of 2014/15. Using CFRC instead of borrowing would reduce debt charges.

8. 'Environmental maintenance' comprises grounds maintenance costs, including empty properties, pest control, garden aid and temporary accommodation. These are services that the Housing Service purchases from other parts of the Council. In order to comply with the HRA guidance, these costs are being reviewed to ensure appropriate apportionment between the HRA and General Fund. This has resulted in an increase assumption for environmental maintenance. For example, the cost of pest control has increased, as the full costs of the service have not been recovered from the general fund for a number of years. 78 additional temporary accommodation properties have been added to the grounds maintenance contract in 2014/15, this has been reflected in the budget for 2015/16.

9. This is the cost of temporary accommodation to the HRA excluding capital financing and repairs costs, which are included elsewhere in the table. An inflationary increase of 1.0% has been applied for 2015/16 to cover a pay award.

10. The increase in bad debt provision has been reduced to £0.5m for 2015/16. Rent arrears peaked in 2013/14. To manage this, the amount set aside to manage bad debt was increased by £1.7m for 2014/15. The rent arrears position stabilised throughout 2014/15 as a result of additional staff resources and the rent payment advertising campaign. This means that the increase in set aside for bad debt can now be reduced to £0.5m. Any of the provision which is not required will be used as 'revenue investment'. This position will be kept under review and is likely to increase again when Universal Credit is introduced.

11. 'Revenue Investment' is income in excess of expenditure that is used within the same year to fund new capital investment, repay old HRA debt, maintain a working balance and support 21<sup>st</sup> Century Homes funding in this or future years.

## Appendix 2a – Business Planning - High Level Assumptions

Input	2015/16	Note
Housing Asset Management Investment	£27.36m	Includes SHQS and EESSH related works.
Stock modernisation & Regeneration Investment	£12.745m	Includes regeneration, neighbourhood investment, community care and capital salaries.
21 <sup>st</sup> Century Homes Net Funding Requirement	£6.2m	Net of Scottish Government subsidy and developer contributions.
Total HRA Capital Expenditure	£39.105m	
Inflation	2%	Based on Bank of England target inflation rate for 2015/16, November 2014 RPI and Council's long term financial plan.
Rent Increase	Inflation	Business Plan assumes inflationary increase.
Right to Buy Income	£1.692m	
Rent lost on empty homes	0.75%	
Debt level (projected for March 2015)	£383m	£369m at 31 March 2014
Interest on debt	5.1%	Based on estimated interest rate at December 2014

## Appendix 2b – Impact of Rent Options on HRA Business Plan

This Appendix sets out the impact of different rent options on the HRA Business Plan over the next 10 years, following a review of assumptions to take account of the most recent information.

Table 1: Three rent strategy options

The table below sets out three rent strategy options that were presented to Health, Social Care and Housing Committee on 11 November 2014.

<b>Rent Strategy 2015/16-2019/20</b>	<b>Annual Increase*</b>
Annual increase - inflation	2%
Annual increase – inflation + 1%	3%
Annual increase – inflation + 2.7%	4.7%

*\*based on assumption of 2% rate of inflation (Office for Budget Responsibility target rate of inflation)*

The Council has nine rent charges for different house types/sizes. The impact of each rent strategy on each house type is set out below:

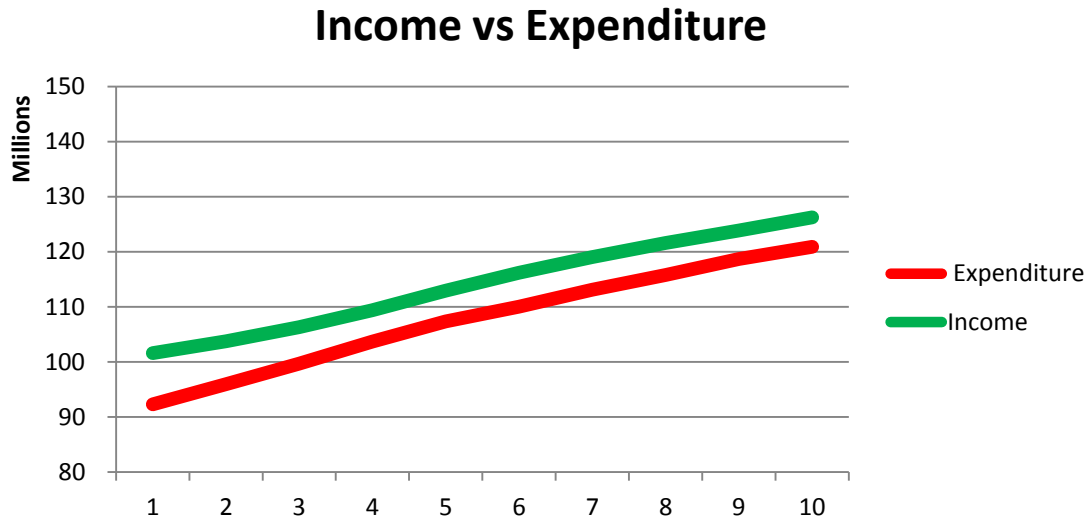
Table 2: Impact of Rent Strategy Options

	<b>2014/15 Weekly Rent</b>	<b>2015/16 Weekly Rent (2.0% increase)</b>	<b>2015/16 Weekly Rent (3.0% increase)</b>	<b>2015/16 Weekly Rent (4.7% increase)</b>
Bedsit	£70.23	£71.63	£72.33	£73.53
1 bedroom flat	£78.26	£79.82	£80.61	£81.94
1 bedroom house	£82.26	£83.90	£84.72	£86.12
2 bedroom flat	£90.97	£92.79	£93.70	£95.24
2 bedroom house	£94.98	£96.87	£97.82	£99.44
3 bedroom flat	£103.68	£105.75	£106.79	£108.55
3 bedroom house	£107.69	£109.84	£110.92	£112.75
4+ bedroom flat	£110.36	£112.57	£113.67	£115.55
4+ bedroom house	£114.37	£116.66	£117.80	£119.74

## Impact of Rent Options on HRA Business Plan

### Option 1 – Annual Increase of Inflation

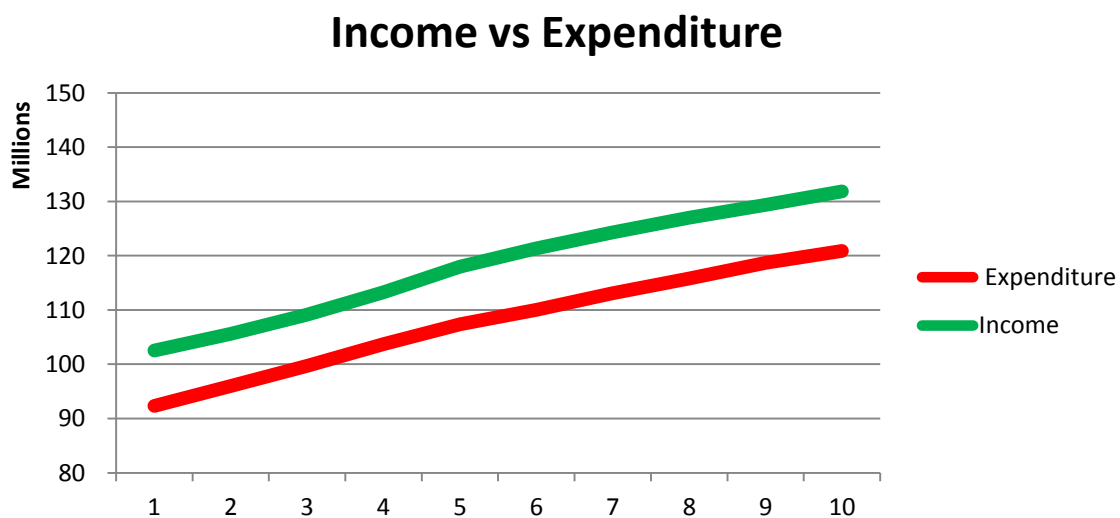
The chart below shows the impact of Option 1 on annual income and expenditure over the next 10 years of the Business Plan.



This option would allow the Council to meet investment requirements of existing homes, deliver the current 21<sup>st</sup> Century Homes programme and expand the programme to provide an additional 400 affordable homes. However, net income falls to £5 million in year nine of the Business Plan. This is deemed to be relatively high risk, as it would take a variation on income and expenditure of 5% to see the HRA fall into a deficit at year nine.

### Option 2 – Annual Increase of Inflation +1%

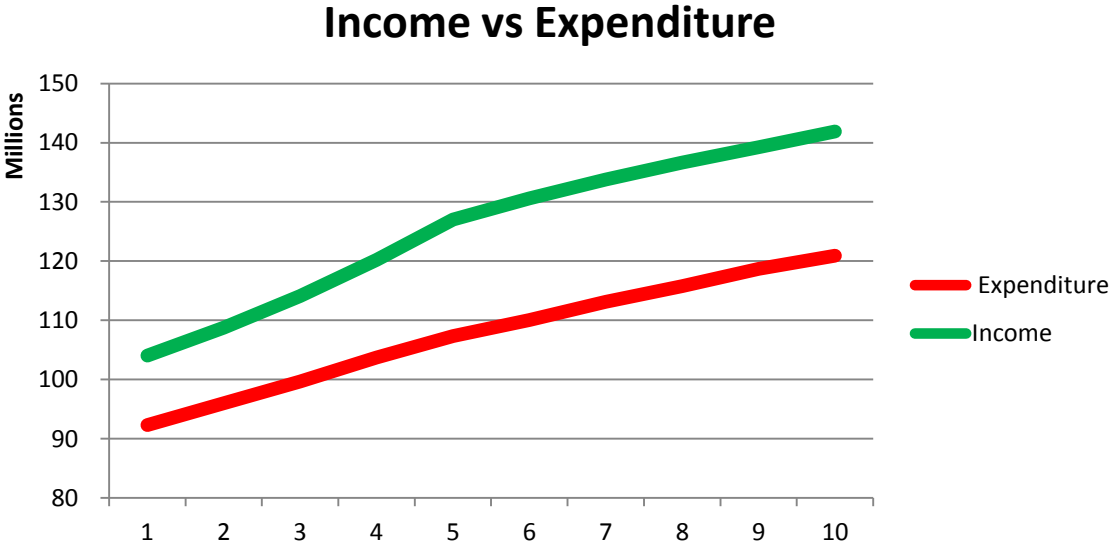
The chart below shows the impact of Option 2 on annual income and expenditure over the next 10 years of the Business Plan.



This option would allow the Council to meet investment requirements of existing homes, deliver the current 21<sup>st</sup> Century Homes programme and expand the programme to provide an additional 400 affordable homes. Net income falls to £9 million in year three of the Business Plan. This option is lower risk, as it would take a variation on income and expenditure of 9% to see the HRA fall into a deficit at year three.

Option 3 – Annual Increase of Inflation +2.7%

The chart below shows the impact of Option 3 on annual income and expenditure over the next 10 years of the Business Plan.



This option would mean the continuation of increases of inflation plus 2.7% for the next five years. This option would deliver current investment requirements, whilst ensuring net income remains above £11 million over the 30 year Business Plan period.

Options 2 and 3 provide scope to increase significantly the house building programme over a 10 year period. This would however, require significant investment in land acquisitions and resources to manage the programme.

## Appendix 3 – Draft HRA Capital Investment Programme

The 2015/16 Draft Budget and Business Plan are based on the assumptions set out in Appendix 2. Below is the outline draft Capital Investment Programme, which is based on the investment priorities agreed by Health, Social Care and Housing Committee on 11 November 2014. The funding strategy may be revised through the year as officers seek to make the best use of any existing and new resources and use the most appropriate funding to generate the best return to the HRA.

<b>Programme Heading</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>
<i>HRA Core Programme</i>						
Housing Investment	27.360	21.360	22.160	21.160	22.060	114.100
Neighbourhood Environmental Investment	2.500	2.500	2.500	2.500	2.500	12.500
Community Care	5.035	5.035	5.035	5.035	5.035	25.175
Regeneration	1.000	0.500	0.000	0.000	0.000	1.500
Capital and Council House Sales and Salaries	4.200	3.800	3.800	3.800	3.800	19.400
<b>Sub Total</b>	<b>40.105</b>	<b>33.195</b>	<b>33.495</b>	<b>32.495</b>	<b>33.395</b>	<b>172.685</b>
<i>21st Century Homes</i>						
21st Century Homes Investment	9.725	15.498	17.990	11.880	6.952	62.046
<b>Total</b>	<b>49.830</b>	<b>48.693</b>	<b>51.485</b>	<b>44.375</b>	<b>40.347</b>	<b>234.731</b>
<b>Funding Source</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>
<i>HRA Core Programme</i>						
Prudential Borrowing	36.798	30.399	31.874	30.874	31.774	161.719
Receipts from Council House Sales	1.692	1.175	0.000	0.000	0.000	2.867
Receipts from Other HRA Assets	0.000	0.000	0.000	0.000	0.000	0.000
Capital Grant	0.000	0.000	0.000	0.000	0.000	0.000
Owners Contributions	1.615	1.621	1.621	1.621	1.621	8.099
<b>Sub Total</b>	<b>39.105</b>	<b>32.695</b>	<b>33.495</b>	<b>32.495</b>	<b>33.395</b>	<b>171.185</b>
<i>21st Century Homes</i>						
CFCR and Reserves	6.242	13.629	11.973	7.696	0.000	39.540
Prudential Borrowing	0.000	0.000	0.000	3.231	6.762	9.993
Developers Contributions	1.005	1.133	1.279	0.954	0.190	4.561
Scottish Government Subsidy	2.477	0.736	4.738	0.000	0.000	7.951
<b>Sub Total</b>	<b>9.725</b>	<b>15.498</b>	<b>17.990</b>	<b>11.880</b>	<b>6.952</b>	<b>62.046</b>
<b>Total</b>	<b>49.830</b>	<b>48.693</b>	<b>51.485</b>	<b>44.375</b>	<b>40.347</b>	<b>234.731</b>

## Appendix 4 – Affordability of Rent Strategy Options

---

### 1. Introduction

2. This appendix is designed to provide an insight into the impact of rent strategy options for a range of sample tenant scenarios.

### 3. Key Findings

- 3.1. Around 16,100 Council tenants (five out of six or 84%) are estimated to be entitled to Housing Benefit. Any rent increase will not directly affect their household budget. The level of Housing Benefit is not determined by the rent level, but by the household income.
- 3.2. Approximately 3,100 (one in six or 16%) tenants were not in receipt of any level of housing benefit. Based on a 52 week year, these tenants would see increases in their rent charge of between £1.40 and £2.29 under rent option one, between £2.10 and £3.43 for option two, and between £3.30 and £5.37 under option three (depending on house size).
- 3.3. Single adult working households, although rent would increase under the three rent options, would see their income increase at a faster rate. This is due to a combination of changes in tax thresholds and increase in the minimum and living wage. The impact of this is that the proportion of household income spent on rent would actually decrease under options one and two for a single person earning the living wage.
- 3.4. The private rented sector is significantly less affordable, particularly for single adult working households. The effect of Housing Benefit means the difference is less pronounced for working family households.
- 3.5. This study does not take into account the introduction of Universal Credit, and the effect it may have on tenants' income. Universal Credit for single, unemployed people will be rolled out in Edinburgh between February and April. Further roll out is not yet confirmed.

### 4. Methodology

- 4.1. The affordability of rent was analysed based on several example scenarios.
  - **Scenario 1: Family on minimum wage.** This example is for a family of four, with two children and two adults, one adult working 36 hours a week on the minimum wage. The other adult has no earned income. The family lives in a two bedroom flat.
  - **Scenario 2: Family on living wage.** This example is for a family of four, with two children and two adults, one adult working 36 hours a week on the living wage. The other adult has no earned income. The family lives in a two bedroom flat.

- **Scenario 3: Single person on minimum wage.** This example is for a single person working 36 hours a week on the minimum wage, living in a 1 bedroom flat.
- **Scenario 4: Single person on living wage.** This example is for a single person working 36 hours a week on the living wage, living in a 1 bedroom flat.

4.2. Several assumptions had to be made for these scenarios. The welfare system is complicated and wide ranging; and many factors affecting entitlement to various benefits had to be considered. Some of the main points are outlined below:

<b>Assumption</b>	<b>Notes</b>
Minimum wage	The minimum wage is increased annually in October. For the purposes of the study, the 2014 minimum wage of £6.31 was used for the financial year 2014/15, and the 2015 minimum wage of £6.50 was used for the financial year 2015/16.
Living wage	Living wage figures are updated annually in November by the Living Wage Foundation. For the purposes of the study, the 2014 living wage of £7.65 was used for the financial year 2014/15, and the 2015 living wage of £7.85 was used for the financial year 2015/16.
Family Scenarios Housing Costs	For the family scenarios the rent charge of a two bedroom Council flat was used, apportioned over 52 weeks to give a better indication of rent costs over the year (£90.97). For the private rented comparisons: Citylets average private rent for a two bedroom property in Q3 2014 (£186.69) was used.
Single Person Scenarios Housing Costs	For the single person scenarios the rent charge of a one bedroom Council flat was used, apportioned over 52 weeks to give a better indication of rent costs over the year (£78.25). For the private rented comparisons: Citylets average private rent for a one bedroom property in Q3 2014 (£139.15) was used.
Tax and National Insurance	Tax and national insurance was calculated manually and verified using an online tax calculator ( <a href="http://www.listentotaxman.com">www.listentotaxman.com</a> ). Changes in tax rates and thresholds between the financial years 2014/15 and 2015/16, in particular the increase in annual personal allowance to £10,600, were reflected in the increases of net incomes of each scenario in 2015/16.
Benefits income	Tax credit, child benefit and Housing Benefit entitlement was calculated manually for the 2014/15 financial year on current rates and thresholds. These were verified against independent benefits calculators. The same



	formulas were used for the 2015/16 financial year but updated with expected new rates and thresholds. <sup>1 2</sup>
Housing Benefit for Private Rented Sector	The Local Housing Allowance determines Housing Benefit for private tenants. The two bedroom rate was used for the family scenarios, and the shared rate used for the single person scenarios.

4.3. Net income and benefit entitlement was calculated for each example scenario for the 2014/15 tax year, and the figures verified with independent online benefits calculators. Income and benefit entitlement was then calculated again for 2014/15 financial year using the expected new tax and benefit rates and thresholds, announced as part of the Government’s Autumn Statement on 3 December. Figures for the next financial year could not be independently verified, however use the same formulas for entitlement as the current financial year.

4.4. Total net rent as a proportion of net income was calculated. Net rent is taken as the rent charge minus the Housing Benefit award. Net income is total household income after tax and inclusive of tax and child credits and child benefits.

**5. Results**

5.1. In its report published August 2014, The Resolution Foundation stated that “There is some degree of consensus that more than 30 to 35% of either gross or net income spent on ongoing costs is a reasonable indicator of difficulty paying for housing, although some landlords report using thresholds of up to 40%.”<sup>3</sup>

5.2. Table 1 shows the proportion of net income spent on net rent for each scenario and each proposed rent increase, and also shows levels in the private rented sector for 2014/15 as a comparison.

Table 1: Proportion of Net Income Spent on Net Rent: Comparison with Private Rented Sector (PRS)

Scenario	Current	Option 1 (Inflation only)	Option 2 (Inflation + 1%)	Option 3 (Inflation + 2.7%)	Citylets average PRS rent
Single adult minimum wage	35.3%	35.2%	35.6%	36.2%	62.8%
Single adult living wage	32.1%	31.7%	32.0%	32.6%	57.0%
Family Minimum wage	13.5%	13.9%	13.9%	13.9%	25.0%
Family Living Wage	15.1%	15.5%	15.5%	15.5%	26.2%

Net rent (rent charge minus housing benefit entitlement) as a percentage of net income (Income after tax and national insurance deductions and inclusive of benefits)

5.3. Table two shows the estimated financial impact of the different rent options.

<sup>1</sup> Policy Paper: Tax and tax credit rates and thresholds for 2015-16. HM Treasury. December 2014. [www.gov.uk/government/publications/tax-and-tax-credit-rates-and-thresholds-for-2015-16](http://www.gov.uk/government/publications/tax-and-tax-credit-rates-and-thresholds-for-2015-16).

<sup>2</sup> Guidance: proposed Benefit and Pension Rates 2015 to 2016. Department for Work and Pensions. December 2014. [www.gov.uk/government/publications/proposed-benefit-and-pension-rates-2015-to-2016](http://www.gov.uk/government/publications/proposed-benefit-and-pension-rates-2015-to-2016).

<sup>3</sup> *Housing pinched: Understanding which households spend the most on housing costs*. The Resolution Foundation. August 2014

Table 2: Increase in rent charge

Scenario	Current Rent	Option 1 Increase (Inflation only)	Option 2 Increase (Inflation + 1%)	Option 3 Increase (Inflation + 2.7%)
Single adult minimum wage	£78.26	£1.56	£2.35	£3.68
Single adult living wage	£78.26	£1.56	£2.35	£3.68
Family Minimum wage	£90.97	£2.82	£2.82	£2.82
Family Living Wage	£90.97	£2.88	£2.88	£2.88

- 5.4. The results indicate that Council rents for the family scenarios are currently affordable. A higher percentage of income is spent on rent for the family on a living wage, which is due to the reduction in tax credits and Housing Benefit.
- 5.5. The research found that, families with one earner on the living wage and living in a Council home currently spend around 15% of their net income on rent. Their gross household income, before benefits, is £14,695 per year. After benefits and taxes, it is estimated to be around £22,367 per year. With any potential rent increase, this family would spend 0.4% more of their net income on rent. As they have a Housing Benefit award, their net rent charge is determined by the Housing Benefit rates and even in the event of a rent freeze, this family would spend 0.4% more of their net income on rent.
- 5.6. When a family has a gross household income, before tax and benefits, of approximately £23,000 per year, they cease to be entitled to Housing Benefit. Such a household would expect to pay approximately 19.4% of their net income, after tax and benefits, on their Council rent. An inflationary increase would see that increase to 19.6%. Inflation plus 1% would be 19.8% of net income on their rent.
- 5.7. The single adult scenarios may be viewed as less affordable, however it should be borne in mind that single person households will not have the same outgoings as families. Table 2 demonstrates that rent option one (inflation only) would have a positive effect on rent affordability, and option two (inflation + 1%) would have no or little effect on affordability for these scenarios.
- 5.8. A single adult earning the minimum wage currently spends around 35.3% of their income on renting their Council home. This person's net income is increasing at a faster rate than inflation, due to changes in tax allowances and the up-rating of the minimum wage. This means that, with an inflationary rent increase, this person would actually spend marginally less of their net income (0.1%) on rent. If the rent increase was 1% above inflation, they would spend 0.2% more of their net income on rent.
- 5.9. A single adult on the living wage would see the proportion of income they spend on rent fall by 0.3% after an inflationary rent increase. With an inflation plus 1% increase, they would see no change in the proportion of income spent on rent.
- 5.10. When compared to the private rented sector (PRS) Council rents are more affordable, sometimes significantly so. A single adult on minimum wage would expect to spend about 35.3% of their income on rent if they are a Council tenant.

With the higher rents in the PRS this rises to 62.8% of that household's income. The effect of Housing Benefit entitlement for the family scenario reduces the difference.

Table 3: Percentage point change in net income as percentage of net rent

Scenario	Option 1 (Inflation only)	Option 2 (Inflation + 1%)	Option 3 (Inflation + 2.7%)
Minimum wage Family	0.5%	0.5%	0.5%
Living Wage Family	0.4%	0.4%	0.4%
Single adult minimum wage	-0.1%	0.2%	0.8%
Single adult living wage	-0.3%	0.0%	0.5%

Figures may not exactly match table 2 due to rounding

5.11. Table 2 demonstrates the percentage point change in income spent on rent for each of the scenarios. The impact for the family scenarios is the same for each scenario, as any increases in rent is accompanied by an increase in Housing Benefit. For the single adult scenarios, the proposed increases have much less of an effect, with option one being favourable for affordability and option two having little or no effect.

## 6. Conclusion

- 6.1. Based on the generally accepted principle that rent payments of around a third of income are affordable, Council rents are affordable to most households. Families on low incomes are supported through tax credits and benefits, ensuring rent levels are affordable.
- 6.2. Single person households are under most pressure, although due to tax threshold and benefit changes, a rent increase of inflation would actually result in a single person household earning the living wage having a slightly increased disposable income.

# Finance and Resources Committee

10.00 am, Tuesday, 3 February 2015

## Preventing Homelessness - Domestic Abuse Work Stream Update – referral from the Health, Social Care and Housing Committee

Item number	7.7
Report number	
Wards	All

### Executive summary

---

The Health, Social Care and Housing Committee on 27 January 2015 considered a report updating the Committee on the progress made to reshape services for women suffering domestic abuse. This included both services which provided safe accommodation and visiting housing support services to people in their own homes and temporary accommodation. The report also sought guidance from Committee on the procurement route for commissioning these services.

### Links

---

<b>Coalition pledges</b>	See attached report
<b>Council outcomes</b>	See attached report
<b>Single Outcome Agreement</b>	See attached report
<b>Appendices</b>	See attached report

## Preventing Homelessness - Domestic Abuse Work Stream Update

### Terms of referral

---

- 1.1 On 27 January 2015 the Health, Social Care and Housing Committee considered an update report by the Acting Director of Services for Communities on the progress made to reshape services for women suffering domestic abuse. This included both services which provided safe accommodation and visiting housing support services to people in their own homes and temporary accommodation. The report also sought guidance from Committee on the procurement route for commissioning these services.
- 1.2 The report highlighted the successful initial consultation with existing providers and stakeholders to reshape services for women suffering domestic abuse, the need to deliver efficiencies through the work stream and the risks and control measures associated with the procurement options for commissioning these services.
- 1.3 The Health, Social Care and Housing Committee:
  - 1) Agreed the direction of reshaping Domestic Abuse services, as outlined in the report by the Acting Director of Services for Communities.
  - 2) Noted the previously agreed permanent budget reduction of approximately £150,000 required within the Domestic Abuse work stream and future proposals within the 2015/18 revenue and capital budget framework.
  - 3) Noted the procurement options of tendering or collaborative consultation and associated risks highlighted at paragraphs 3.12 and 3.15 of the report.
  - 4) Agreed that the favoured option was to engage in a collaborative pilot with existing providers and referred the report to Finance and Resources Committee for deliberation on the commissioning approach.
  - 5) Noted that there would be a further report to the Finance and Resources Committee seeking approval to award contracts, following the preferred procurement route, in summer 2015.

## For Decision/Action

---

- 2.1 The Finance and Resources Committee is asked to consider the commissioning approach.

## Background reading / external references

---

Health, Social Care and Housing Committee 27 January 2015.

### **Carol Campbell**

Head of Legal, Risk and Compliance

Contact: Blair Ritchie, Assistant Committee Clerk

E-mail: [blair.ritchie@edinburgh.gov.uk](mailto:blair.ritchie@edinburgh.gov.uk) | Tel: 0131 529 4283

## Links

---

<b>Coalition pledges</b>	See attached report
<b>Council outcomes</b>	See attached report
<b>Single Outcome Agreement</b>	See attached report
<b>Appendices</b>	See attached report

# Health, Social Care and Housing

10.00am, Tuesday, 27 January 2014

## Preventing Homelessness - Domestic Abuse Work Stream Update

<b>Item number</b>	7.7
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	All

### Executive summary

---

The purpose of this report is to update Committee on the progress made to reshape services for women suffering domestic abuse. This includes both services which provide safe accommodation and visiting housing support services to people in their own homes and temporary accommodation. The report also seeks guidance from Committee on the procurement route for commissioning these services.

This report highlights:

- The successful initial consultation with existing providers and stakeholders to reshape services for women suffering domestic abuse.
- The need to deliver efficiencies through the work stream.
- The risks and control measures associated with the procurement options for commissioning these services.

### Links

---

<b>Coalition pledges</b>	P8, P13, P14, P30, P32, P36
<b>Council outcomes</b>	C09, C10, C11, C13, C14, C16, C23, C25, C26
<b>Single Outcome Agreement</b>	S02, S04

## Preventing Homelessness - Domestic Abuse Work Stream Update

### Recommendations

---

It is recommended that the Health, Social Care and Housing Committee:

- 1.1 Agrees the broad reshaping Domestic Abuse services, as outlined in this report and as set out in paragraph 3.6.
- 1.2 Considers whether procurement should be via tendering or collaborative consultation and the associated risks highlighted at paragraphs 3.12 to 3.15.
- 1.3 Refers this report to Finance and Resources Committee for consideration of the commissioning approach.
- 1.4 Notes that there will be a further report to the Finance and Resources Committee seeking approval to award contracts, following the preferred procurement route and including evaluation proposals, in summer 2015.

### Background

---

- 2.1 Services for Communities commissions four organisations to provide seven homeless services, including accommodation and visiting housing support for women suffering domestic abuse. Current contracts expire in March 2016 with a break clause to commission reshaped services. The annual funding for the commissioned services in this work stream is approximately £1.17 million. A list of the services in this work stream is included in Appendix 1.
- 2.2 Separately, Health & Social Care provides £197,000 in funding for post-rape crisis and visiting support. Children & Families provides £424,000 in funding for preventative work with perpetrators and post-rape crisis and visiting support. These are not part of the Domestic Abuse workstream. Similarly, men who are assessed as homeless and suffering domestic abuse are offered temporary accommodation and visiting housing support by the Council are not included within this workstream.
- 2.3 Current services provide accommodation to around 170 women per year. Visiting housing support provide services to up to a further 320 women per year, in their own home or in temporary accommodation.
- 2.4 The reshaping of services will take into account:
  - The Edinburgh Multi-agency Domestic Abuse Policy developed by Health and Social Care.



- Financial pressures around budget reductions and increased rents within temporary accommodation.
  - The impact of welfare reform and the introduction of Universal Credit, including the management of payments to landlords and affordability of move on accommodation.
  - The impact of Integration of Health and Social Care on services managed by Health and Social Care.
- 2.5 On 6 September 2011, the Homelessness Prevention Commissioning Plan (the Plan) was agreed by Policy and Strategy Committee and sets out the need to prevent homelessness wherever possible. The plan was developed after extensive consultation and is part of the Council's wider City Housing Strategy 2012-2017.
- 2.6 The Domestic Abuse work stream is part of the implementation of the Plan. Other work streams consider Advice and Support, Older People, Crisis & Complex needs and Young People.
- 2.7 On 12 November 2013, Health, Social Care and Housing Committee considered a range of options for the procurement and commissioning of homeless prevention services within the Advice and Support work stream. Having considered the risks, it agreed that its preferred option was to undertake a collaborative pilot with the current providers of services and referred the report and its decision to Finance and Resources Committee. These risks are set out at 3.12 to 3.15 and section 6 of this report. On 28 November 2013, following consideration, Finance and Resources Committee agreed the approach.
- 2.8 On 30 September 2014, Finance and Resources Committee agreed the awarding of contracts for pilots for the Advice and Support work stream following successful collaborative consultation with voluntary sector partners.
- 2.9 On 11 November 2014, Health, Social Care and Housing Committee made a recommendation to Finance & Resources Committee to approve a collaborative consultation pilot for the Young People and Crisis and Complex work streams.

## Main report

---

- 3.1 There were around 5,400 domestic abuse incidents reported to the police in Edinburgh in 2013. Domestic abuse has a significant impact on children with children reported as being present or resident at around 45% of these incidents. Further, around 40% of cases added to the Edinburgh Child Protection Register included domestic abuse as a concern. Domestic abuse has significant public spending implications. The Edinburgh Multi-agency Domestic Abuse Policy states that the cost of domestic abuse to the Scottish public purse is £2.3 billion.

### Consultation

- 3.2 On 30 May 2014, a Violence Against Women Service Review event was held. One of the recommendations from this event was for joint working between Services for Communities, Children & Families and Health & Social Care.

Following this event a shared monitoring framework is being developed across the three services in conjunction with the Domestic Abuse Lead Officer.

- 3.3 Since May 2014, there has been consultation with the providers involved in the Domestic Abuse work stream, initially as a group, including colleagues in Health and Social Care and Children and Families. The primary focus has been to agree the broad direction of the housing related services required to enable women to obtain emergency accommodation and help them keep their existing homes. Consultation has enabled the development of a model which identifies the broad direction for services that are needed for this client group.
- 3.4 The Services for Communities Commissioning Team has also met with providers on an individual basis. All of the providers have confirmed that they support the general direction for services and would prefer to enter collaborative consultation to agree service specifications within the reduced budget.
- 3.5 A summary of the points raised through the consultation is in Appendix 2. These include:
- Support needs to be flexible and accessible.
  - Some women will need short term accommodation as they are at physical risk of domestic abuse.
  - Some women need support to work alongside specialist services that will assist with resettlement, benefits, personal care, mental health or addictions.
  - There is a role for peer support.
  - A “case management” approach could help women who need multidisciplinary support.
  - There needs to be improved cooperation and information sharing between support and accommodation services.
- 3.6 The broad direction of services proposed as a result of the consultation is:
- A reshaped accommodation service to provide temporary accommodation to women who need a physically safe environment due to domestic abuse. This will help women move into alternative settled accommodation or return to their existing home once it is a secure place to stay.
  - Visiting housing support to women in temporary accommodation and in settled accommodation to women who are at risk of or have recently suffered domestic abuse.
  - The accommodation and visiting housing support services will work with specialist, advice, mental health and addictions services to deliver better outcomes for women. They may act as an advocate or guide to help women access specialist services.

### **Next Phase**

- 3.7 The feedback from the initial consultation will be used as a basis for wider consultation with stakeholders, providers and service users, between January

and March 2015. This will ensure that the diverse needs of women, including those from black and minority ethnic communities, will be addressed and will be used to develop:

- Clear service specifications.
- Entry criteria for these services.
- A referral route into services.
- Measures for monitoring the effectiveness of services.
- Rates and payment methods.

3.8 There are two options for commissioning and procuring these services. The first is to tender these new services with immediate effect. The second is to reshape these services through a negotiated pilot with existing providers for a period of 18-24 months, prior to tendering.

#### **Option 1**

3.9 There are a number of potential service providers for visiting housing support and accommodation services. A Prior Information Notice (PIN) was issued in February 2013, as part of the Advice and Support work stream, to identify potential visiting support services. A number of potential providers expressed an interest. A PIN was also issued in August 2014 to identify potential temporary accommodation providers. A number of potential providers expressed an interest.

3.10 Tendering in this way means a direct transition from the current arrangement to reshaped services. Given the scale of the change being sought this presents a risk of disruption to service users. It will also make it more difficult to amend the outcomes or specification of the proposed services as they develop.

#### **Option 2**

3.11 The second approach would be to establish a collaborative pilot with existing providers. This would allow services to be reshaped in a more controlled way, allowing the Council and service providers to test the approach outlined in this report. Current providers have indicated that they agree, in principle, with the broad direction of service change. They would be willing to work together with the Council to develop proposals for a collaborative approach to pilot these services for an 18-24 month period, prior to services being tendered. This would allow the Council, providers and service users to review the re-shaping of these services and make modifications during the pilot period resulting in a more refined and tested specification.

3.12 There are risks with the collaborative process. The process of awarding contracts is required to be open, transparent and achieve best value. Those currently not contracted to provide services, or who are, but may wish to expand, are likely to prefer open tendering. Specifically, a potential provider or current provider with a small contract may challenge the contract award as they were not allowed to make a tender submission.

- 3.13 The risk of challenge has been mitigated as all of the current service providers are supportive of this procurement approach. Consultation has also taken with service provider groups; including the Checkpoint group, which involves providers, service users, trade unions and other stakeholders, with no service provider indicating an intention to submit a challenge to the collaborative process.
- 3.14 The risk of challenge from potential providers is further mitigated as the proposal is to award contracts for a short pilot period to allow services to be reshaped followed by open tendering. This follows the public social partnership model that is an established form of commissioning support services.
- 3.15 A report seeking approval to award contracts for services in the Domestic Abuse work stream, following the decisions made in response to this report, will be provided to Committee in summer 2015.

## Measures of success

---

- 4.1 The overarching objective is to stop domestic abuse, however these services are designed to reduce the impact of domestic abuse in terms of safety, security, family cohesion, and social integration. Over time the number of women requiring these services should reduce. Success will be measured by the reduction in the number of women requiring these services, particularly for a second or subsequent time.

## Financial impact

---

- 5.1 The total funding of the services in the Domestic Abuse work stream is currently around £1.17 million. On 13 February 2014, as part of the annual budget setting process, the Council approved a 15.3% reduction in the budget for housing support services. Some efficiencies, amounting to approximately 2% of the budget, have already been implemented and the remaining reduction of 13.5% has been applied across all workstreams. This will reduce the annual budget for the Domestic Abuse work stream from approximately £1.17 million to £1.01 million over the next two years. Efficiencies of 13.5%, approximately £150,000, will be built into contracts. The reduction of 13.5% will be built into new contracts at the point of reshaping. These efficiencies will have no impact on the commissioned services for domestic abuse through Health & Social Care or Children & Families.
- 5.2 In addition, the Council is currently consulting on a suite of proposals as part of the budget framework. One of the proposals looks at reducing third sector and partner agency grants (SfC17) such as the police, commissioned services and community grants. If agreed by Council following the consultation process, this could further reduce the Commissioning Budget.

## Risk, policy, compliance and governance impact

---

- 6.1 A Check Point Group, which involves providers, service users, trade unions and other stakeholders, is in place to oversee the consultation and communication of

the Homelessness Prevention & Commissioning Plan. The Check Point Group met in August 2014 to commence oversight of the consultation process. The group will continue to have oversight of all of the work streams in the Plan. A reference group of service users supports the Check Point group in its work.

- 6.2 Support services are regarded as “Part B services” under European Union legislation. This reduces the requirements for advertising and shortens timescales. The Council still has a legal requirement under the legislation to ensure “a degree of advertising and a procedure leading to the award of the contract which is sufficient to enable open and fair competition”. Tendering presents a low risk of challenge to the procurement process.
- 6.3 There is a risk that some current providers may not wish to renew contracts. Following initial discussions with existing providers, this is considered a low risk. This risk could be mitigated by increasing other contracts to cover any withdrawal if necessary.
- 6.4 On 13 February 2014, as part of the annual budget setting process, the Council approved a reduction in the budget for housing support services. This totalled £2.3 million over three years. The risk of not delivering these savings will be mitigated, as savings requirements will be built into new contracts covering the contract period. In the event of additional savings to the commissioning budget being confirmed, break clauses within contracts will allow strategic decisions to be made.
- 6.5 There is a risk that further efficiencies will be required as this work stream develops. A Memorandum of Understanding will be agreed with current providers. This will establish principles to mitigate the risk of any provider withdrawing from the process by reallocating work with other existing providers. It will also establish a timetable for developing service specifications and the need to deliver identified and potential savings.
- 6.6 The innovative approach to visiting housing support should lead to examples of good practice. There may, however, be unintended impacts in relation to service provision. Identifying good practice and unintended impacts will require regular monitoring meetings with stakeholders.
- 6.7 If the collaborative consultation to agree a pilot is not progressed new risks will be created. Providers are aware of the successful use of the collaborative consultation approach to commission the Advice and Support contract and have an expectation that a similar approach will be used in the Domestic Abuse work stream.

## **Equalities impact**

---

- 7.1 An Equalities and Rights Impact Assessment (ERIA) was completed for the Homelessness Prevention Commissioning Plan and a further assessment will be carried out in respect of the proposals for the Domestic Abuse work stream.
- 7.2 The re-commissioning of accommodation and visiting housing support services for women suffering domestic abuse will have a positive impact on helping these

women find and retain a home and access specialist services including counselling, mental health and addictions services. Re-commissioning will also have a positive impact on the duty to advance equality of opportunity and the duty to foster good relations.

- 7.3 The specific services detailed in this report are only for women and their children. Other services are available for men suffering from or fleeing domestic abuse, including the Caledonian Project, Safer Families and Male Domestic Abuse Support Service. All services commissioned by City of Edinburgh Council are being reviewed as a joint project between Services for Communities, Children and Families and Health and Social Care
- 7.4 If current services are decommissioned, there is potentially a negative impact on service users. However, this risk could be mitigated by supporting service users to find alternative provision or to make the transition to new commissioned services. This would impact across all protected characteristics.

## **Sustainability impact**

---

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh and will impact positively on local communities and businesses. The services will also have a positive impact on social cohesion and inclusion and promote personal wellbeing through the proposals to prevent homelessness and enhance independent living skills.
- 8.2 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties. Relevant Council sustainable development policies have been taken into account.

## **Consultation and engagement**

---

- 9.1 The initial consultation with service providers, from 2014 (as detailed in paragraph 3.3), has identified the services that women use, their needs, the context, gaps in service provision and potential types of services that can help women suffering domestic abuse avoid becoming homeless.
- 9.2 The initial consultation with stakeholders (including services' members of the Homelessness Planning Group and services within the Council) has been used to agree the broad direction for services.
- 9.3 Providers put forward proposals for the types of services that are needed to support women who are suffering domestic abuse and these are outlined in paragraph 3.6 of this report.
- 9.4 There will be extensive collaborative consultation with providers, service users and stakeholders to develop service specifications.
- 9.5 The consultation will be overseen by the Check Point Group, which includes service users, providers and stakeholders from the third sector and across the Council.

## Background reading/external references

---

[Homelessness Prevention Commissioning Plan, Policy and Strategy Committee, 6 September 2011](#)

[Homelessness Prevention Commissioning Plan – Update and Proposals for Advice and Report, Health Social Care & Housing Committee, 12 November 2013](#)

[Homelessness Prevention Commissioning Plan Update and Proposals for Advice and Support – referral from the Health, Social Care and Housing Committee, Finance and Resources, 28 November 2013](#)

[Update on Advice and Support Collaborate Approach, Finance and Resources Committee, 5 June 2014](#)

[Contract Award for Homeless Prevention - Advice and Support Services Pilot, Finance and Resources Committee, 30 September 2014](#)

[Extension of Homelessness Contracts, Finance and Resources Committee, 27 November 2014](#)

[Edinburgh's Multi-agency Domestic abuse Policy, Corporate Policy and Strategy Committee, 3 December 2013](#)

[2015/18 Revenue and Capital Budget Framework, Finance and Resources Committee, 30 September 2014](#)

### John Bury

Acting Director of Services for Communities

Contact: Graeme Fairbrother, Acting Commissioning Manager

E-mail: [graeme.fairbrother@edinburgh.gov.uk](mailto:graeme.fairbrother@edinburgh.gov.uk) | Tel: 0131 469 3503

## Links

---

<b>Coalition pledges</b>	<p>P8. Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p> <p>P13. Enforce tenancy agreements (council and private landlord) with a view to ensuring tenants and landlords fulfil their good conduct responsibilities.</p> <p>P14. Strengthen Council housing allocation policy to give recognition to good tenants and to encourage responsible tenant behaviour and responsibilities.</p> <p>P30. Continue to maintain a sound financial position including long-term financial planning.</p> <p>P32. Develop and strengthen local community links with</p>
--------------------------	---

the police.

P36. Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model.

**Council outcomes**

C09. Edinburgh residents are able to access job opportunities

C10. Improved health and reduced inequalities

C11. Preventative and personalised support in place

C13. People are supported to live at home

C14. Communities have the capacity to help support people

C16. Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood

C23. Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community

C25. The Council has efficient and effective services that deliver on objectives

C26. The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

**Single Outcome Agreement**

S02. Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health

S04. Edinburgh’s communities are safer and have improved physical and social fabric

**Appendices**

Appendix 1: Services in the Domestic Abuse Work Stream

Appendix 2: Consultation in the Domestic Abuse Work Stream

Appendix 3: Risk Summary



## Appendix 1: Services in the Domestic Abuse Work Stream

---

### Visiting Housing Support

Provider	Contract Type	Hours
Edinburgh Women's Aid	Visiting Housing Support	28 hours per week
Saheliya	Visiting Housing Support for BME clients	37 hours per week
Shakti	Visiting Housing Support for BME clients	156 Hours per week

### Accommodation

Provider	Contract Name	Places
Edinburgh Women's Aid	Twenty-four hour refuge	8 places
Edinburgh Women's Aid	Shared refuge	19 places
Keymoves	Cranston Street hostel for women only	20 places
Shakti	Refuge	4 places

## Appendix 2: Consultation in the Domestic Abuse Work Stream

---

The key points from the consultation were:

- Support needs to be flexible and accessible to account for support needs that frequently change.
- Some women may need accommodation for a short time while they are at risk of domestic abuse until their existing home can be made secure or alternative accommodation can be made available.
- There needs to be improved housing options advice including options in the private rented sector for some women.
- Some women may find it difficult to engage. Typical behaviour includes presenting to many services, or a cycle of engaging and disengaging from services.
- Some women may have limited contact with services for a long time before they are ready to address behaviour, health or addictions issues.
- Women need support to engage with specialist services to address trauma and improve their life skills.
- Some women need support with personal care, mental health or addictions.
- There is a role for peer support.
- There needs to be improved cooperation and information sharing between support and accommodation services.
- A “case management” approach could help women who need multidisciplinary support.
- Visiting housing support is needed to help women who have their own homes avoid homelessness.

## Appendix 3: Risk Summary

Risk	Collaborative Pilot	Tendering
Existing Service Users disengage.	Greater chance of maintaining support with service users.	If there is a change of service providers there is a higher risk that some service users will disengage.
Loss of existing staff.	Greater chance of retaining staff.	There will be greater uncertainty for staff and a higher risk of staff leaving during the procurement.  If there is a change of service providers there is a higher risk of losing staff that choose not to TUPE.
Savings not delivered.	Providers agreed to sign Heads of Terms that sets out savings (13.5%).	Bids may not be within available budget.
Delays achieving savings.	Heads of Terms sets out clear timetable. If negotiations are not successful within the agreed timetable the Heads of Terms sets out the need to move to tendering.	Any transfer to new provider(s) increases the risk of delay and delays achieving savings.
Reputational Damage for Council.	Providers and stakeholders in Checkpoint Group (EVOC, SHAPE, and Service Users) support collaborative approach.	Providers feel that the Council is treating domestic abuse services differently from other work stream as collaborative pilot agreed for other work streams.
Services not reshaped.	Existing providers have demonstrated a willingness to reshape services.  The pilot allows the Council to work with services to make modifications during the pilot, resulting in a more refined and tested specification.	Increased risk of contract failure.  A contract without a pilot limits the flexibility providers (new or existing) have to modify their approaches to support during a contract.
Potential or existing provider wishing to expand challenges the contract award.	Existing providers have confirmed they support the approach.  The short term nature of the pilot mitigates the risk or challenge and the financial impact of a challenge.  There has not been a challenge to the advice and support pilot which was around three times larger than this work stream.	Little risk of challenge.

# Finance and Resources Committee

10.00am, Tuesday 3 February 2015

## Living Wage and Workforce Related Matters in Procurement

Item number	7.8
Report number	
Executive/routine	
Wards	

### Executive summary

---

The City of Edinburgh Council has committed to providing for Edinburgh's economic growth and prosperity. The Coalition Pledges include a commitment to: "introduce a Living Wage for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development."

On 1 January 2013, as part of the Capital Coalition Pledges, the Council made a decision to pay all Council employees the Edinburgh Living Wage.

To support the Council's commitment to encourage wider adoption amongst contractors, the Council has been exploring the options available within the current legal and financial constraints. This report proposes to pilot an approach that encourages the Living Wage and other favourable workforce related conditions through the tender process.

A motion was agreed at Council in October 2014 reinforcing this commitment during Living Wage Week 2014 and asking for a further report to the Finance and Resources Committee on progress.

### Links

---

Coalition pledges	<a href="#">P25</a>
Council outcomes	CO25 CO27
Single Outcome Agreement	

## Living Wage and Workforce Related Matters in Procurement

### Recommendations

---

- 1.1 The Finance and Resources Committee is requested to:-
  - 1.1.1 note the contents of this report;
  - 1.1.2 agree to pilot an approach that encourages the Living Wage and other favourable workforce related conditions through the tender process, with a suitable candidate contract being identified from the Council's Contract Register (expiring in the next nine to twelve months); and
  - 1.1.3 agree that this pilot be evaluated, with the results reported back to Finance and Resources Committee. A decision will then taken on the approach to Living Wage and workforce related conditions that should be pursued as standard in future tender evaluations.

### Background

---

- 2.1 The City of Edinburgh Council has committed to providing for Edinburgh's economic growth and prosperity. The Coalition Pledges include a commitment to "introduce a Living Wage for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development."
- 2.2 The Living Wage, currently £7.85 an hour, is calculated using a methodology developed by the Centre for Research in Social Policy at Loughborough University to ensure a basic, but acceptable, standard of living above poverty ("Living Wage"). The uprating each year takes into account rises in living costs and what is happening to wages generally.
- 2.3 Following agreement of this pledge by Council in August 2012, the Edinburgh Living Wage (ELW) was introduced for Council staff on 1 January 2013 at £7.50 per hour. This subsequently increased to £7.65 per hour on 1 April 2014.
- 2.4 The ELW has also been applied to agency workers on assignment with the Council from that date.
- 2.5 The Council is also committed to looking at the Living Wage through procurement. This includes exploring ways in which it can encourage its subsidiaries and contractors to commit to the Living Wage as part of the procurement process, whilst remaining within the procurement rules.

- 2.6 During the passage of the Procurement Reform (Scotland) Act 2014, the Scottish Government sought clarification from the European Commission as to whether it was compatible with European legislation that a public authority require their contractors to pay a Living Wage. The European Commission's response was that any requirement that contractors pay their employees a level set higher than the UK's National Minimum Wage as part of a tendering process or public contract is unlikely to be compatible with European law. This response is set out in the Scottish Procurement Policy Note 4/2012, (SPPN 4/2012) and is supported by relevant European case law. Therefore the current advice from the European Commission and the Scottish Government is that while a Living Wage can be encouraged it cannot be mandated.
- 2.7 To support the Council's commitment to encourage payment of a Living Wage by contractors, Commercial and Procurement Services and People and Organisation, have been exploring the options available whilst being mindful of these legal constraints.

## Main report

---

### **Application of Living Wage to Council employees**

- 3.1 The Council has fulfilled its commitment to pay its employees the ELW from 1 January 2013 to date. The Council has made provision in its budget, subject to agreement, to increase the ELW for its employees to £7.85 per hour from 1 April 2015.
- 3.2 The Council has also implemented all Living Wage increases in line with the timescales recommended by the Living Wage Foundation (within six months of new rates being announced).
- 3.3 In addition, the Council as a member of CoSLA is bound to implement national pay agreements negotiated between CoSLA and the Trades Unions. As part of the 2015/16 national pay negotiations, CoSLA and the Trades Unions are discussing whether the Living Wage would be the lowest hourly rate of pay for Local Government Employees. The outcome of these discussions will depend on whether this is realistic and achievable. Further, if it is considered realistic and achievable it is likely that the change would be brought in over a 3 year period.
- 3.4 Therefore to fully determine the impact of the Living Wage on the current pay and grading structure, the Council requires to await the outcome of the national pay negotiations between CoSLA and the Trades Unions.

### **Council contractors**

- 3.5 The Council's Procurement Strategy emphasises the importance of delivering Best Value whilst focusing on delivering improvements for the people of Edinburgh through commissioning and procurement activity.

- 3.6 The Council recognises that the quality of a contract will often depend upon having a properly managed, motivated and remunerated workforce. It is therefore proposed to encourage payment of the Living Wage as part of a package of workforce measures which includes terms and conditions such as training and development, holiday provision and family friendly policies, as well as discouraging “zero hours contracts” where they have a negative impact upon employee conditions and any practice of employee blacklisting.
- 3.7 It is proposed that the quality of these workforce-related matters is used in part to assess the quality of a supplier’s bid, as it is unlikely to be permissible to make workforce-related matters a mandatory requirement of the tendering process based on current legislation as outlined at 2.6.
- 3.8 To examine whether a qualitative assessment would deliver the Council’s desired outcomes, it is proposed to run a pilot tender. The proposed approach will be to ask questions that focus on the workforce policies the Council itself has in place. In the context that the Council expects contractors to evidence similar high standards, the supplier would be asked to make proposals that outline their commitment to being a best practice employer in the delivery of the relevant contract.
- 3.9 In evaluating quality, contractors would be scored on their approach to workforce related matters, such as those mentioned above, as part of a fair and equitable employment and reward package. Measurable examples that can be monitored and tracked through contract management reporting will be requested, and a meaningful weighting of between 10-15% will be attributed to the answer. To help ensure a successful outcome the Council would conduct a proactive dialogue with tenderers on the importance of workforce conditions.
- 3.10 This approach has been used recently and successfully by the Scottish Government in a contract for catering services. As a result of the emphasis on the importance of the quality of workforce measures, all bidders included a Living Wage in their bid. The cost of the service did increase as a result but some of the costs were borne by the contractors.
- 3.11 By selecting a suitable contract/s from the Contract Register to pilot this approach, the impact that this qualitative assessment might have on positive workforce conditions for contracted staff and levels of affordability for the Council can be properly assessed. The pilot tender will be selected from recurring contracts expiring in the next nine to twelve months (to allow for the necessary procurement lead-in times), so that there is a baseline for comparative purposes. To be compatible with European procurement rules, there must be a direct connection between the quality of the service and how the contractor interacts with its employees. A suitable candidate is likely to be a contract from the traditionally “low wage” sectors such as catering, security, cleaning or care work.
- 3.12 If this approach is approved then a further report to Committee will report back on the outcomes of the pilot.

## **Encouraging wider adoption**

- 3.13 Following a motion to Council in October 2014 by Councillor Austin-Hart, a business breakfast event is being arranged for the morning of 4 February 2015 at Tynecastle Stadium. Aimed at businesses of all sizes and from all sectors, the event will share information on the benefits of paying a Living Wage using local employers as positive case studies.

## **Measures of success**

---

- 4.1 The measure of success of a pilot introducing the qualitative assessment of workforce related matters will be improved employment conditions for third party employees, delivery of better value contracts and any resulting increase in costs passed onto the Council are kept to a minimum.

## **Financial impact**

---

- 5.1 The projected additional cost of uplifting the ELW for Council employees in line with the Living Wage to £7.85 from 1 April 2015, based on modelling of anticipated pay liabilities, is an additional £0.101m over and above wider existing pay award provision. This can be contained within the overall sum previously agreed by Council to support the implementation of the Living Wage within the Council.
- 5.2 A report produced by the Resolution Foundation and the Institute for Public Policy Research “Beyond the Bottom Line” indicates the costs of contractors introducing a Living Wage at the request of the contracting authority are likely to be passed on to the Council in increased costs for the contracted goods, works or services. Any increase in costs will be dependent upon the sector, the number of employees paid below a Living Wage and the costs of maintaining a differential between these employees and the grades of employees above them. Based upon the experience of the Scottish Government, other Councils and initial communications between COSLA and national care home providers, early indications are a cost increase of between 2-6% would be sought by contractors to implement Living Wage rates and maintain differential of pay grades where there are high numbers of employees paid less than the Living Wage. The proposed pilot approach would give the Council a firm indication of the affordability of adopting the proposed approach.

## **Risk, policy, compliance and governance impact**

---

- 6.1 The City of Edinburgh Council has already taken significant steps to support providers of care at home services to offer the Living Wage to paid carers.
- 6.2 There is a risk of a successful legal challenge if the Council were to make payment of a Living Wage a requirement of the contract.



- 6.3 There is a risk of increased financial burden for the Council if all or part of the increased costs to contractors are passed on to the Council. This may be in part mitigated by improved service provision.
- 6.4 Policy and practice will be updated pending outcome of the pilot.

## Equalities impact

---

- 7.1 An increase to the ELW for Council employees from April 2015 would positively impact upon staff in grades 1 and 2.
- 7.2 It is considered that there would be no equal pay issues for Council staff as both men and women on the same grade would be paid the same increased rate.

## Sustainability impact

---

- 8.1 Should a pilot approach be adopted, it is likely in that instance to encourage the contractor to improve the workforce conditions of their employees.

## Consultation and engagement

---

- 9.1 To date there has been a number of small surveys with third sector grant recipients and roads contractors undertaken. There has also been engagement with care providers in connection with the national care homes contract.

## Background reading/external references

---

[Scottish Procurement Policy Note 4/2012, \(SPPN 4/2012\).](#)

[http://www.resolutionfoundation.org/wp-content/uploads/2014/08/Beyond the Bottom Line - FINAL.pdf](http://www.resolutionfoundation.org/wp-content/uploads/2014/08/Beyond%20the%20Bottom%20Line%20-%20FINAL.pdf)

## Alastair D Maclean

Director of Corporate Governance

Contact: Nick Smith, Commercial and Procurement Manager

E-mail: [nick.smith@edinburgh.gov.uk](mailto:nick.smith@edinburgh.gov.uk) | Tel: 0131 529 4377

## Links

---

<b>Coalition pledges</b>	P25 - Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development.
--------------------------	---

<b>Council outcomes</b>	CO25 - The Council has efficient and effective services that deliver on objectives. CO27 - The Council supports, invests in and develops our people.
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	None.

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## Commercial and Procurement Services – Contract Register Update

Item number	7.9
Report number	
Executive/routine	
Wards	

### Executive summary

---

This report updates the Committee on progress with regard to the updating of the Council's Contract Register.

### Links

---

Coalition pledges	P30
Council outcomes	C025
Single Outcome Agreement	

## Commercial and Procurement Services – Contract Register Update

### Recommendations

---

- 1.1 It is recommended that the Committee note the content of this report.

### Background

---

- 2.1 The council's Contract Register is the central database which records all Council contracts relating to the purchase of works, goods and services. All contracts in excess of £10,000 for works and £3,000 for goods and services require to be recorded in the Contract Register and contracts below this value should be recorded where possible<sup>1</sup>.
- 2.2 An up to date Contract Register is an important tool that can be used as a source for effective planning of procurement and contract management activity. Its use throughout the Council will also help to increase spend with contracted suppliers.
- 2.3 In addition, the Procurement Reform (Scotland) Act 2014 proposes a requirement for all local authorities to publish a register of contracts in excess of £50,000.
- 2.4 The Committee considered a report on the Contract Register on 5 June 2014. This report provides an update on the work to increase the Contract Register's coverage.

### Main report

---

- 3.1 The Contract Register is maintained by Commercial and Procurement Services (CPS). However, it is the responsibility of service areas to provide complete, accurate and up to date contract information in order that the Contract Register can be properly maintained and relevant.
- 3.2 CPS supports service areas in this by:

---

<sup>1</sup> In anticipation that these thresholds are approved when the Council considers the review of Contract Standing Orders on 5 February 2015.

- a. Publishing the Contract Register on the Orb;
- b. Providing service areas with regular updates on contracts which are approaching their contract end date, thereby enabling improved and timely planning of procurement activities;
- c. Regularly providing service areas with information on the percentage of spend made through contracted suppliers;
- d. Investigating and consulting with service areas on spend with non-contracted suppliers;
- e. Updating the Contract Register where new contract information is identified; and
- f. Incorporating additional projects into procurement plans where the need for new contracts is identified.

3.3 When figures were last reported to the Committee in June 2014, there were 687 contracts with an annual value of £514m on the Contract Register. Of these 541 with an annual value of £400m were still live at 31 December 2014 and 146 (£114m) had expired.

3.4 At 31 December 2014 there were 756 live contracts on the Contract Register with an annual value of £493m. A further 72 contracts (£13m) added to the register since the June Committee meeting had expired by 31 December 2014.

3.5 The table below summarises the Contract Register entries over this financial year to 31 December 2014 and shows the number and annual value of contracts added between June and December 2014.

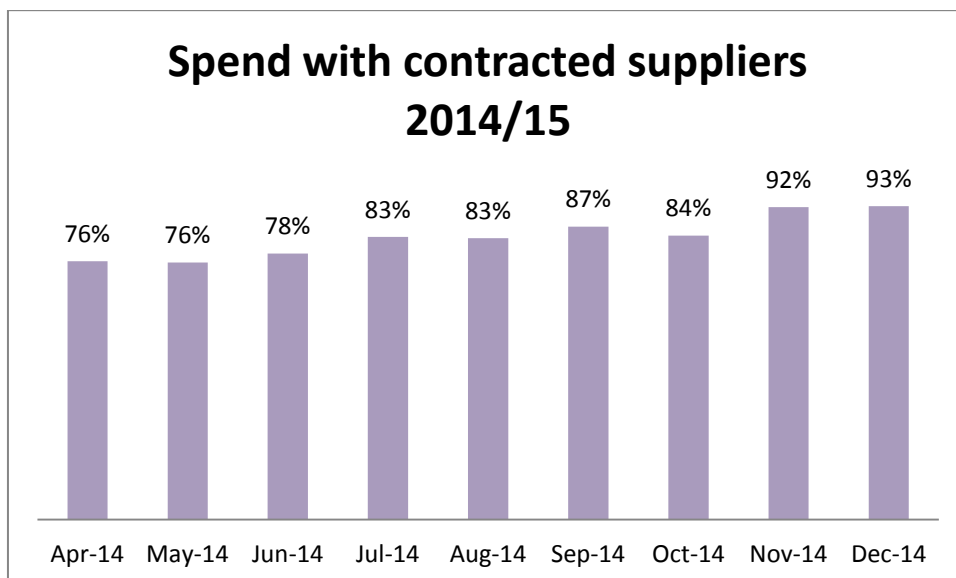
	Live contracts at 31 December 2014		Expired contracts at 31 December 2014		Total
On Register reported on 5 June 2014	541	£400m	146	£114m	<b>£514m</b>
Added to register between June and December 2014	215	£93m	72	£13m	<b>£106m</b>
<b>Total</b>	<b>756</b>	<b>£493m</b>	<b>218</b>	<b>£127m</b>	<b>£620m</b>

3.6 A breakdown of live contracts by Directorate is shown in Appendix 1 and the number and value of contracts expiring by March 2016 is shown in Appendix 2.

3.7 It should be noted that the table above includes both contracts where a new contract has been awarded to replace an expiring contract. The total annual value shown in the table may not therefore be directly compared with the Council's actual expenditure on works, goods and services.

3.8 A better indicator of the proportion of the Council's contracted expenditure on works, goods and services is provided by comparing expenditure with contracted suppliers with total expenditure on works, goods and services. Between June 2014 and December 2014 this rose from 78% to 93%. This reflects the number

of contracts that have been added to the Contract Register and increased compliance with those contracts, as well as increased rigour in identifying and excluding from the calculation non-relevant expenditure, for example grant payments. The chart below shows the improvement in this indicator in 2014/15.



- 3.9 Work continues to increase this percentage beyond the current 93% but the Committee should note that the Contract Register is not designed to record all expenditure below the thresholds noted in 2.1 above and as a result the percentage of spend with the suppliers listed on the Contract Register will never reach 100%.

## Measures of success

---

- 4.1 The success of the Contract Register can be measured by:
- High percentage of third party spend with contracted suppliers.
  - Improved planning of upcoming procurement activities and effective resource allocation.
  - Reduced number of waiver reports.

## Financial impact

---

- 5.1 Maintaining a comprehensive Contract Register will help the Council identify and deliver savings from improved commercial and procurement activity. It is also an important part of the control environment, helping to promote improved buying practices; thereby increasing the percentage of expenditure with contracted suppliers and reducing off contract spend.

## Risk, policy, compliance and governance impact

---

- 6.1 Maintaining an accurate and up to date Contract Register, as recommended following the review of Contract Standing Orders, is imperative in reducing the risk of failing statutory and regulatory requirements and reducing off contract spend.

## Equalities impact

---

- 7.1 There is no relationship to the public sector general equality duty to the matters described in this report and no direct equalities impact arising from this report.

## Sustainability impact

---

- 8.1 A comprehensive Contract Register will enable a better understanding of the supplier base in order to understand how to encourage SMEs and third sector relationships.

## Consultation and engagement

---

- 9.1 A programme of engagement has taken place with all Service Areas.

## Background reading/external references

---

[Procurement Reform \(Scotland\) Act 2014](#)

[Report to Finance and Resources Committee – 5 June 2014, Commercial and Procurement Services – Contract Register Update](#)

Contract Register – available to inspect from Commercial and Procurement Services

### Alastair Maclean

Director of Corporate Governance

Contact: Nick Smith, Commercial and Procurement Manager

E-mail: [nick.smith@edinburgh.gov.uk](mailto:nick.smith@edinburgh.gov.uk) | Tel: 0131 529 4377

## Links

---

**Coalition pledges**    **P30** – Continue to maintain a sound financial position including long-term financial planning

<b>Council outcomes</b>	<b>C025</b> – The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	
<b>Appendices</b>	Appendix 1: Live contracts: Annual contract value Appendix 2: Contracts due to expire



## Appendix 1: Live contracts - annual contract value

---

The table below provides an overview of the annual value of contracts in 2014/15 split by service area.

Directorate	Number	Value £
Children & Families	66	89,639,438
Corporate Governance	77	19,898,969
Economic Development	14	1,932,841
Health & Social Care	201	157,914,834
Services for Communities	348	144,357,892
Cross Directorate	50	79,478,183
<b>Total</b>	<b>756</b>	<b>493,222,157</b>

## Appendix 2: Contracts due to expire

---

The table below provides an overview of contracts due to expire by March 2016 by service area.

Directorate	Number of contracts expiring by 31 March 2016	Annual value of contracts expiring by 31 March 2016 £
Children & Families	27	4,462,736
Corporate Governance	23	3,190,837
Economic Development	11	423,350
Health & Social Care	165	140,181,037
Services for Communities	205	46,304,203
Cross Directorate	20	40,929,984
<b>Total</b>	<b>451</b>	<b>235,492,146</b>

# Finance and Resources Committee

10.00 am, Tuesday, 3 February 2015

## Adoption of a Collaborative Framework Agreement for the Supply and Distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs from 1 March 2015 until 28 February 2017 with the option to extend for one further year

Item number	7.10
Report number	
Executive/routine	Executive
Wards	All

### Executive summary

---

This report seeks approval to adopt the Framework Contract for the Supply and Distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs. Scottish Borders Council was the lead Council on this collaborative procurement which involved the City of Edinburgh Council, Midlothian Council, East Lothian Council and West Lothian Council.

The current framework expired on 28 November 2014. Following User Intelligence Group (UIG) discussions with Scottish Borders Council, and based on the high level of satisfaction with the current framework, participating Councils agreed that a second generation framework should be established. The new framework will operate from 1 March 2015, until 28 February 2017, with the option to extend for one further year. The estimated contract value, including the option to extend for a further year, is £1,944,758.

### Links

---

Coalition pledges	<a href="#">P43</a>
Council outcomes	<a href="#">CO1</a>
Single Outcome Agreement	<a href="#">SO4</a>

## **Adoption of a Collaborative Framework Agreement for the Supply and Distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs from 1 March 2015 until 28 February 2017 with the option to extend for one further year**

### **Recommendations**

---

It is recommended that Committee:

- 1.1 Approves that the Framework Agreement for the supply and distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs is awarded to George Anderson and Sons from 1 March 2015 – 28 February 2017 with an optional 12 month extension; and
- 1.2 Approves the use of the other suppliers on the framework, as a contingency measure, should there be a need.

### **Background**

---

- 2.1 The Council's current arrangement for the supply and distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs expired on 28 November 2014, but the current supplier, George Anderson & Sons, continues to deliver at the old contract prices, pending the placing of the new contract.
- 2.2 Scottish Borders Council was the lead Council on this collaborative procurement which also involved the City of Edinburgh, Midlothian, East Lothian and West Lothian Councils. Based on the high level of satisfaction with the current framework, participating Councils agreed that a second generation framework should be established.
- 2.3 Council requirements have changed over the life of the current framework, with a greater interest in Scottish produce. This has become more pronounced since the introduction of the Food for Life Catering Mark (via Soil Association), which allows councils to obtain accreditation to 3 levels; bronze, silver and gold. The accreditation level is dependent on councils meeting certain criteria including freshly prepared food on site, serving food which meets or exceeds UK animal welfare standards and championing local produce and producers. This procurement has responded to these challenging needs by incorporating additional locally sourced products.
- 2.4 The replacement framework covers a range of core products including fresh fruit and vegetables, bakery products and free range eggs. The key services that use this framework within the Council are Corporate Property (Catering) and Health & Social Care.

- 2.5 A PIN (Prior Information Notice) was published on Public Contracts Scotland, on 9 May 2014, to alert suppliers to the tender opportunity and to allow them to register their interest and obtain additional information.
- 2.6 The Framework was advertised in the Official Journal of the European Union and the Public Contracts Scotland portal on 5 September 2014.

## Main report

---

- 3.1 A User Intelligence Group (UIG), made up of Procurement and technical representatives from the participating Councils, was established to develop a Procurement strategy to meet user requirements.
- 3.2 To ensure that the contract was awarded to the most capable tenderers, the UIG agreed that the Open Procedure would be used, consisting of a 2 stage tendering process. At the first stage, tenderers were assessed on financial capability, technical/professional capacity and business probity, which were mandatory requirements. Tenderers were required to pass stage 1 for their offer to be further evaluated at stage 2.
- 3.3 At the second stage of the process, the offers were evaluated against the following criteria and weightings:
  - Quality 50%
  - Commercial 50%
- 3.4 Tenderers were invited to bid on the following basis:
  - One, two or all Lots:-
  - Lot 1 - Fruit & Vegetables.
  - Lot 2 - Bakery Products.
  - Lot 3 - Free Range Eggs.
- 3.5 Tenderers also had the ability to offer variant pricing for individual geographic Lots due to the varying distribution requirements of each Council.
- 3.6 All 3 suppliers that bid for various Lots were awarded a place on the Framework. The tenders scoring per Lot are detailed below:

<b>Lot 1</b>	<b>PRICE</b>	<b>QUALITY</b>	<b>TOTAL SCORE</b>
<b>Fruit and Vegetables</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>
<b>SUPPLIER</b>			
George Anderson	44.06	42.63	86.69
Failte Foods	50.00	35.75	85.75
IDC Ltd	18.21	23.00	41.21

<b>Lot 2</b>	<b>PRICE</b>	<b>QUALITY</b>	<b>TOTAL SCORE</b>
<b>Bakery Products</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>SUPPLIER</b>			
George Anderson	50.00	42.63	92.63
Failte Foods			<b>NO BID</b>
IDC Ltd			<b>NO BID</b>

<b>Lot 3</b>	<b>PRICE</b>	<b>QUALITY</b>	<b>TOTAL SCORE</b>
<b>Eggs</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>SUPPLIER</b>			
George Anderson	41.92	42.63	84.55
Failte Foods	50.00	35.75	85.75
IDC Ltd			<b>NO BID</b>

3.7 From the above table, it will be noted that the most economically advantageous tender in terms of price and quality is that of George Anderson and Sons for Lot 1 and Lot 2. Although Supplier 2 scored marginally higher for Lot 3, it is recommended that the Committee award all Lots to George Anderson and Sons for ease of contract management and to reduce the environmental impact.

However, as a contingency measure, it is proposed to approve the use of the other framework providers, should there be a need.

## Measures of success

---

- 4.1 Taking into account inflation in food prices, it is a measure of the success of this procurement exercise that has resulted in a saving per Lot (as per current pricing) :-

<b>Lot</b>	<b>Saving Percentage (compared to current pricing)</b>
Fruit and Vegetables	30.95%
Bakery Products	7.37%
Eggs	0%

## Financial impact

---

- 5.1 Based on their individual current estimated quantities of core and non-core products (where applicable) purchased, Scottish Borders Council conducted benchmarking exercises for each council comparing current prices paid against those of the recommended suppliers. Based on the benchmarking, savings ranging from 0% - 30.95%, with the level of saving largely dependent on the price of the fruit and vegetables, as the prices will go up and down due to season. It is forecast that the City of Edinburgh Council will achieve a saving of £158,186 per annum across the 3 Lots.
- 5.2 The pricing for the Bakery Products and the Eggs will remain fixed for 12 months from Framework commencement. The Fruit and Vegetables prices will vary depending on season and weather, but will remain fixed for quarterly periods.
- 5.3 The costs associated with procuring this contract are estimated at up to £10,000.

## Risk, policy, compliance and governance impact

---

- 6.1 The Edible Edinburgh Food Policies have been considered and this contract will help to meet the standards required.

## Equalities impact

---

- 7.1 The award of this Contract to George Anderson & Son will result in savings which could contribute towards improvements in other areas of the Corporate Catering Service. It will also enhance the right to health by offering locally sourced produce which has facilitated Accreditation to the Food for Life Catering Mark via the Soil Association.
- 7.2 The equalities assessment has identified no impact on the Council's specific public sector equality duties.

## Sustainability impact

---

- 8.1 George Anderson & Sons are now a “Soil Association Scotland” registered supplier and can assist Councils in attaining their Food for Life awards.
- 8.2 George Anderson & Sons source many products locally which help the local economy and also reduces food miles covered. Their depot is located centrally with no delivery being further than an hour away which helps to reduce the carbon footprint. Units with multiple sites are encouraged to have the same delivery days where possible.
- 8.3 Additionally, all of their delivery vehicles are fitted with fuel inhibitors, have daily checks including tyre pressures which help to minimise fuel consumption and they also have regular emission tests.
- 8.4 The delivery routes are continually checked to ensure that they are the most efficient way to reduce mileage and this is linked by computer to their fuel tank to monitor consumption of each vehicle. They are also in the process of ensuring all vehicles are fitted with speed restrictors, which will help in cutting down on fuel and emissions.
- 8.5 Packaging is from a re-useable source and customers are asked to return suitable cardboard boxes for repacking and if they are unsuitable or broken they are recycled.
- 8.6 George Anderson & Sons are also in the process of investigating the use of renewable energy and resource sources such as solar and wind power and the reuse of rainwater. The aim being to further reduce or offset their energy consumption.
- 8.7 With regard to Community Benefits, George Anderson & Sons will work with the schools including organising competitions for pupils and the opportunity for them to visit on educational trips. They will also employ local people wherever possible.

## Consultation and engagement

---

- 9.1 A Council representative attended the User Intelligence Group meetings.

## Background reading/external references

---

Not applicable to this report.



## John Bury

Acting Director of Services for Communities

Contact: Moira Ross, Acting Area Facilities Manager (Edinburgh North and Leith)

Email: [moira.ross@edinburgh.gov.uk](mailto:moira.ross@edinburgh.gov.uk) Tel: 0131 529 2772

## Links

---

<b>Coalition pledges</b>	P43 - Invest in healthy living and fitness advice for those most in need.
<b>Council outcomes</b>	CO1 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.
<b>Single Outcome Agreement</b>	SO3 – Invest in healthy living and fitness for those most in need.
<b>Appendices</b>	Appendix 1 - Tendering Process summary.

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Framework Contract for Supply & Distribution Fruit and Vegetables, Bakery Products and Eggs
Contract period	1 February 2015 to 28 November 2017 (with an optional 12 months extension)
Estimated contract value	£1,944,758 (including 4th year)
Governing UK Regulation	Public Contracts (Scotland) Regulations 2012
EC Procedure chosen	Open
Standing Orders observed	<p>2.4 EU Principles been applied</p> <p>2.7 Commercial and Procurement Manager provided resource to undertake tendering</p> <p>3.2 Director has responsibility for all Contracts tendered and let by their Directorate</p> <p>5.1 (b) Tenders evaluated on basis of most economically advantageous criteria</p> <p>8.1 Procurement process conducted electronically via Public Contracts Scotland.</p>
Tenders returned	3
Tenders fully compliant	3
No. of recommended suppliers	3
Primary criterion	Most Economically Advantageous offer
Contract	Framework Contract for Supply & Distribution Fruit and Vegetables, Bakery Products and Eggs
Contract period	1 February 2015 to 28 November 2017 (with an optional 12 months extension)

Tenders returned	3
Tenders fully compliant	3
No. of recommended suppliers	3
Primary criterion	Most Economically Advantageous offer
Secondary criteria	Price 50%
	Quality 50%
	Comprising:
	Q1 – Delivery & Customer Service 35%
	Q2 – Sustainability 20%
	Q3 – Operational Requirements 35%
Q4 – Ability to Transact – 10% (eCatalogues / eProcurement / Corporate Purchasing Cards)	
Evaluation Team	Scottish Borders Council, Procurement and/or Technical Representatives from all Councils participating
Procurement Costs	<£10,000

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## Extension of Service Level Agreement for Change-works Resources for Life

Item number	7.11
Report number	
Executive/routine	Executive
Wards	All

### Executive summary

---

Changeworks Resources for Life (Changeworks), a registered charity, currently provides services to the Council for housing energy advice and under a Service Level Agreement (SLA) which is due to expire in March 2015.

The purpose of this report is to recommend that the SLA be extended until the end of March 2016. This extension will allow the Council to review its requirements for energy, fuel poverty, waste and recycling awareness services and explore future options for accessing and providing these services.

### Links

---

Coalition pledges	<a href="#">P8</a> <a href="#">P44</a> <a href="#">P49</a> <a href="#">P50</a> <a href="#">P53</a>
Council outcomes	<a href="#">CO4</a> <a href="#">CO6</a> <a href="#">CO10</a> <a href="#">CO16</a> <a href="#">CO17</a> <a href="#">CO18</a> <a href="#">CO19</a> <a href="#">CO25</a>
Single Outcome Agreement	<a href="#">SOA2</a> <a href="#">SOA3</a> <a href="#">SOA4</a>

## Extension of Service Level Agreement for Changeworks Resources for Life

### Recommendations

---

It is recommended that Finance and Resources Committee:

- 1.1 Agrees to extend the Service Level Agreement (SLA) with Changeworks Resources for Life until 31 March 2016 to allow for service requirements and procurement options to be reviewed.
- 1.2 Notes that future provision of energy related services will be reported to Finance and Resources Committee in autumn 2015.

### Background

---

- 2.1 Changeworks is an environmental charity and social enterprise that works in collaboration with public and third sector organisations, schools, communities and businesses.
- 2.2 Changeworks provides a range of services which contribute to sustainability outcomes. These include services relating to renewable energy, energy efficiency, fuel poverty, waste and recycling and transport. Changeworks also manages the Home Energy Scotland advice centres for South East Scotland and Highlands and Islands on behalf of the Scottish Government.
- 2.3 Since 2010, Changeworks has provided services under a SLA to the Environment and Housing and Regeneration service areas within Services for Communities. These services were previously grant funded. The current SLA is for the period 2012-2015 and will end on 31 March 2015.
- 2.4 Waste Services access education and awareness services from Changeworks through the SLA at a value of £159,128 per year. This supports Environment objectives to reduce waste and increase recycling and awareness, primarily focussed on providing information to residents, running workshops, school engagement and real nappy projects.
- 2.5 Changeworks provides consultancy and research services to the housing service, as well as direct support to people living in fuel poverty, to a value of £139,761. This supports the City Housing Strategy objectives of improving energy efficiency and reducing fuel poverty and the aims set out in the Homes and Energy Strategy which was agreed by Health, Social Care and Housing Committee on 17 June 2014.

- 3.1 The SLA for 2014/15 was developed in consultation with staff from across the Council. It is revised and updated every year to reflect Environment and Housing and Regeneration priorities to reduce waste, increase recycling, tackle fuel poverty and reduce carbon emissions in Edinburgh.

### **Housing and Regeneration**

- 3.2 The SLA provides consultancy services, tenant support and staff training services under the three themes of:
- Fuel poverty - targeted support and assistance for the most vulnerable households and areas within the city, to meet the Scottish Government aim of reducing fuel poverty, so far as is reasonably practicable by 2016.
  - Carbon savings –securing investment for the least energy efficient homes in the city to make them more affordable to heat, with reduced emissions.
  - Strategy and best practice – assisting the Council to take a strategic approach to Edinburgh becoming an energy efficient and low carbon city and a recognised centre for best practice.

### **Environment**

- 3.3 Changeworks supports the strategic development of waste prevention in the city. The waste prevention programme that Changeworks delivers focuses on raising awareness and changing behaviour:
- Waste Free Edinburgh – working with partners and engaging with residents to reduce waste and encourage reuse and recycling.
  - Real Nappy Project – volunteers engage with parents across the city to encourage use of reusable nappies to decrease the amount sent to landfill.
  - Waste Education in Schools – supporting schools towards Eco Schools and Green Flag accreditation, to increase composting and provide teacher training.
  - Developing strategic projects – seeking additional funding for waste prevention and awareness programmes.

### **Next steps**

- 3.4 The Council is currently reviewing its requirements for energy, fuel poverty, waste and recycling services beyond 2016 to align with Council objectives. The scope for these services will depend on customer demand and projected need for the services. These requirements should be closely linked to other internal and external services, such as Edible Edinburgh and Energy for Edinburgh, to ensure a joined-up approach.
- 3.5 As part of this review, the Council is evaluating the services provided under the current SLA, analysing the performance of the current services against the

indicators and identifying the support needed for the Council to deliver on objectives to improve the quality of life for Edinburgh residents.

- 3.6 The review is looking at the services required and the most appropriate and cost effective way of delivering these services. The outcome of this review and recommended approach will be reported to Finance and Resources Committee in autumn 2015.

## Measures of success

---

- 4.1 Reduce fuel poverty and waste, improve energy efficiency, and increase recycling during 2015/16.
- 4.2 Success is measured by the financial and carbon emissions savings and waste reduction recorded by projects carried out under the SLA:
- The affordable warmth projects are estimated to have saved Edinburgh residents around £30,000 and almost 19 tonnes of carbon emissions in 2013/14.
  - Consultancy projects have helped reduce emissions from Council housing and supported the Council to achieve an Energy Efficiency Rating of D or above for 94% of Council homes.
  - Waste reduction is estimated to be around 240 tonnes per year as a result of SLA activities.
- 4.3 Following a comprehensive review during this SLA extension period, services will be in place from 2016 to offer improved benefits to Edinburgh residents.
- 4.4 Monitoring and performance indicators will also be reviewed, with suitable arrangements for these being put in place for the services beyond March 2016.

## Financial impact

---

- 5.1 The current cost of the SLA totals £298,889 for 2014/15. The Housing Revenue Account provides funding of £139,761 per year and £159,128 is funded by the Environment service through the General Fund.
- 5.2 It is proposed that the cost of the SLA for 2015/16 would remain static at £298,889 and can be contained within existing budgets.

## Risk, policy, compliance and governance impact

---

- 6.1 Extending the SLA provides an opportunity to examine the range of energy, fuel poverty and waste services required by the Council to meet strategic objectives, and to explore the delivery and procurement options.

## Equalities impact

---

- 7.1 Work carried out under the SLA targets the lowest income areas of the city, to address fuel poverty, save money and improve residents' health and wellbeing.

## Sustainability impact

---

- 8.1 Significant carbon emissions reductions have been achieved as a result of energy consultancy to the Council and direct advice and support to residents.

## Consultation and engagement

---

- 9.1 The housing service recently consulted with tenants on the rent strategy and investment priorities for tenants' rents. 'Your Rent, Your Priorities' showed that energy efficiency and fuel poverty is an investment priority for tenants. Consultation on future services will form part of the review. Changeworks have also been consulted.

## Background reading/external references

---

[Appointment to the board of Changeworks, City of Edinburgh Council, 20 November 2014.](#)

[Homes and Energy Strategy, Health, Social Care and Housing Committee, 17 June 2014.](#)

### John Bury

Director, Services for Communities

Contact: Gillian Campbell, Housing and Regeneration Strategy Manager (Acting)

E-mail: [gillian.campbell@edinburgh.gov.uk](mailto:gillian.campbell@edinburgh.gov.uk) | Tel: 0131 529 2252



## Links

---

<b>Coalition pledges</b>	<p>P8 Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites</p> <p>P44 Prioritise keeping our streets clean and attractive</p> <p>P49 Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill</p> <p>P50 Meet greenhouse gas targets, including the national target of 42% by 2020</p> <p>P53 Encourage the development of Community Energy Co-operatives</p>
<b>Council outcomes</b>	<p>CO4 Our children and young people are physically and emotionally healthy</p> <p>CO6 Our children's and young people's outcomes are not undermined by poverty and inequality</p> <p>CO10 Improved health and reduced inequalities</p> <p>CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood</p> <p>CO17 Clean - Edinburgh's streets and open spaces are clean and free of litter and graffiti</p> <p>CO18 Green - We reduce the local environmental impact of our consumption and production</p> <p>CO19 Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm</p> <p>CO25 The Council has efficient and effective services that deliver on objectives</p>
<b>Single Outcome Agreement</b>	<p>SOA2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SOA3 Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>SOA4 Edinburgh's communities are safer and have improved physical and social fabric</p>
<b>Appendices</b>	None

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## Hyvots Regeneration – Disposal of Site Known as Phase 7

<b>Item number</b>	7.12
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	16 – Liberton/Gilmerton

### Executive summary

---

The purpose of this report is to seek Committee approval for the disposal of the site which is known as Phase 7 (“the site”), which has previously been declared surplus to operational requirements.

In 2003, Dunedin Canmore Housing Association (DCHA) was appointed as the preferred landlord to undertake the regeneration of the Moredun Park and Hyvots area.

DCHA has been succeeded by Dunedin Canmore Housing (DCH) in October 2012. DCH is a non-profit making charity and Registered Social Landlord (RSL).

On 31 July 2012, a report was presented to Committee explaining the proposed disposal of the site to DCHA. Since 2012, DCH has changed its business plan for the site. The regeneration programme is now complete, with the exception of this site which extends to 0.26 hectares (0.64 acres), as set out in Appendix One. This report sets out those changes and seeks authority to conclude a sale of the site to DCH, on the basis of the new business plan.

### Links

---

<b>Coalition pledges</b>	<a href="#">P17</a>
<b>Council outcomes</b>	<a href="#">C07</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1</a>

## Hyvots Regeneration - Disposal of Site Known as Phase 7

### Recommendations

---

It is recommended that Finance and Resources committee:

- 1.1 Approves the disposal of the Hyvots Phase 7 site to Dunedin Canmore Housing (DCH) on the terms outlined at section 3.1 of this report, as well as any additional terms and conditions agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance; and
- 1.2 Grants authority to the Director of Services for Communities to negotiate and conclude the sale of the site.

### Background

---

- 2.1 DCH has been responsible for the regeneration of Moredun Park and Hyvots. In the past 11 years it has built approximately 420 new properties and refurbished 377. After completing six phases of new build and refurbishment, one final phase remains undeveloped.
- 2.2 On 31 July 2012, a report was presented to the Finance and Resources Committee which advised that the site would be developed as a joint venture between the Council, DCHA and Cruden Homes East (CHE). It explained that retail units would be built on the ground floor, whilst the upper floors would provide 12 to 18 flats for Mid Market Rent (MMR). It further explained that the Council would receive a sale price representing the commercial value of the site and a share of any profit deriving from the eventual sale of the MMR flats.
- 2.3 Subsequent to the approval of that report, DCHA intimated to the Council that it was unable to fund the proposed development of the MMR flats and withdrew their interest in the site. Thereafter, efforts were made to attract another purchaser, but a sale could not be concluded.
- 2.4 Earlier in 2014, DCH contacted the Council advising that it would like to renew its interest in the site. It explained that the structure of the proposed purchase would still involve it in a joint venture with CHE, in which CHE would construct retail units on the ground floor, but the dwellings would be for social rent instead of MMR.
- 2.5 As a consequence of the change in DCH's business plan, the proposed joint venture between the Council, DCHA (now DCH) and CHE to deliver the MMR dwellings will no longer be required. The Council will still receive a commercial return for the market value of the site. However, as there are no MMR

properties being developed, they will no longer have a right to share in any sale profits.

## **Main report**

---

- 3.1 The regeneration of the Moredun Park and Hyvots area began in 2003 with the selection of DCHA as the preferred landlord for the area. The regeneration proposals, funded by the then Scottish Executive, included an agreement to transfer Housing Revenue Account (HRA) land from the Council to DCHA.
- 3.2 In the last decade, DCHA has led the regeneration of Moredun Park and Hyvots, building 420 new properties and refurbishing 377 properties across six phases. Development of the site is the final phase of the regeneration, which will see the conclusion of a longstanding commitment from DCHA and the Council.
- 3.3 The Council has received Heads of Terms from DCH to acquire the site which can be summarised as follows:
  - DCH will purchase the site from the Council based on the residual market value of the retail element.
  - Immediately upon settlement of that transaction DCH will sell the site to CHE for the same price.
  - DCH will then enter into a contract with CHE to design and construct 24 dwellings for social rent.
  - CHE will construct shop units on the site and retain these for either sale or lease to retailers.
  - Upon completion, DCH will purchase the dwellings from CHE and make them available for social rent.
- 3.4 It is the Council's intention to enter into formal missives with DCH on the basis of the Heads of Terms described above.

## **Measures of success**

---

- 4.1 In selling the site to DCH the Council will have delivered its strategic aim of regenerating Moredun Park and Hyvots through the provision of new and refurbished housing.
- 4.2 24 new homes for social rent will be let through Edindex to people who have registered a housing need.
- 4.3 Additionally, at least three new retail units will be made available, contributing to the local economy.

## **Financial impact**

---

- 5.1 A capital receipt representing the commercial value of the site will be credited to the HRA.
- 5.2 On 11 November 2008, Committee authority was granted to transfer the site to DCHA for nil value. This proposal will generate a capital receipt for the HRA which will be invested into the delivery of new affordable homes or improvements to the existing housing stock.

## Risk, policy, compliance and governance impact

---

- 6.1 This report is in accordance with the Council's Scheme of Delegation: [City of Edinburgh Council - Scheme of delegation to officers](#).
- 6.2 There are no significant risks associated with the proposed transaction detailed in this report.

## Equalities impact

---

- 7.1 The proposals in the report will have a positive impact on both the tenants of the new properties and the wider community who will benefit from the new retail provision.
- 7.2 Completion of Phase 7 will deliver 24 new energy efficient affordable homes built to modern Building Standards, which will help reduce fuel poverty in the city.

## Sustainability impact

---

- 8.1 Completion of Phase 7 will deliver new affordable homes on a brownfield site, reducing pressure on Edinburgh's green belt.
- 8.2 New homes are built to high standards in terms of energy efficiency and sustainability.

## Consultation and engagement

---

- 9.1. A full consultation was carried out at the time the original masterplan for Moredun Park and Hyvots was prepared. More recently, local councillors and South Neighbourhood office have been provided with updates and have been supportive of the site being developed.

## Background reading/external references

---

[Hyvots Area Regeneration - Land Disposals, Report to Finance and Resources Committee, 11 November 2008](#)

[Hyvots Regeneration - Hyvots 7 Land Transaction, Report to Finance and Resources Committee, 31 July 2012](#)

### John Bury

Acting Director of Services for Communities

John McDonald, Acting Neighbourhood Regeneration Manager

[john.mcdonald1@edinburgh.gov.uk](mailto:john.mcdonald1@edinburgh.gov.uk) Tel: 0131 529 6349

Graeme McGartland, Senior Estates Surveyor

[graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) Tel: 0131 529 5956

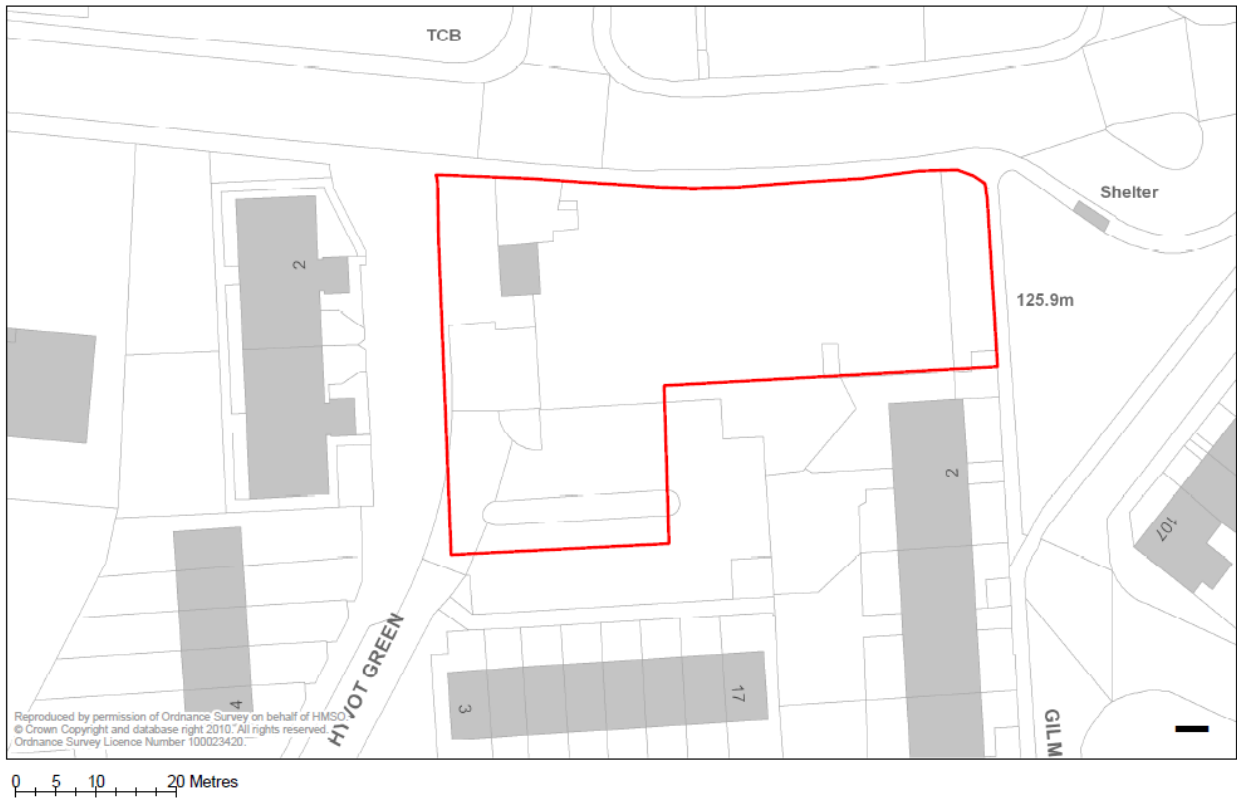
## Links

---

<b>Coalition pledges</b>	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.
<b>Council outcomes</b>	C07 – Edinburgh draws new investment in development and regeneration.
<b>Single Outcome Agreement</b>	S01 – Edinburgh’s economy delivers increased investment, jobs and opportunities.
<b>Appendices</b>	Appendix One – Location Plan

# Appendix One – Location Plan

Hyvots Area 7, Gilmerton Dykes Street



# Finance and Resources Committee

10.00 am, Tuesday, 3 February 2015

## Extension of Contract for the Service and Maintenance of Building Energy Management Systems

Item number	7.13
Report number	
Executive/routine	Executive
Wards	All

### Executive summary

---

This report requests approval to extend the current arrangements with The Energy Solutions Group for the service and maintenance of Building Energy Management Systems for the Council's non-housing operational properties.

The value of the contract to be extended is approximately £190,000 per annum, which covers both scheduled maintenance and support call-outs. The proposed extension is until 31 March 2016, or until the new contracts which are to be procured are in place, whichever is sooner.

### Links

---

Coalition pledges	<a href="#">P50</a>
Council outcomes	<a href="#">CO18, CO25</a>
Single Outcome Agreement	<a href="#">SO3, SO4</a>



## Extension of Contract for the Service and Maintenance of Building Energy Management Systems

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves the extension of the existing Council Building Energy Management Systems (BEMS) service and maintenance contract with The Energy Solutions Group (ESG), until 31 March 2016, or until the new contracts which are currently being procured are in place, whichever is sooner; and
- 1.2 Notes that a business plan will be submitted to Committee in May 2015, detailing the strategy for the tender for the upgrade and/replacement of the BEMS, including servicing and maintenance.

### Background

---

- 2.1 BEMS are an automated intelligent control system, pre-programmed to manage the heating and ventilation for a property, dependant on its use. As service delivery patterns and usage change, the control systems can be adjusted.
- 2.2 The Council has an extensive portfolio of BEMS systems covering all major properties in the operational portfolio. For example, all corporate offices, care homes, high schools and the majority of primary schools have a BEMS.
- 2.3 Many of the BEMS are in urgent need of upgrade and/or replacement. Also, there is a need to reflect changes in technology. This may involve a change to open protocol systems that can use a variety of components from different suppliers and improving the communication links for BEMS to offer greater resilience and monitoring capability.
- 2.4 The system and controls are located within individual properties and are monitored remotely, and currently serviced and maintained by a specialist contractor - ESG. This contract has been running since May 2010 at a value of approximately £190,000 per annum, which covers both scheduled maintenance and support call-outs.

- 2.5 The Council does operate some modern systems within newer and/or refurbished properties within the estate. Moving forward, there is a need to modernise and standardise the Council's approach, and a BEMS strategy is currently under development by Corporate Property.
- 2.6 A delivery options appraisal with associated business case and funding proposals is being finalised. A report will be submitted to the Finance and Resources Committee for consideration in May 2015. In the meantime, there is a need to extend the existing contract, which is the purpose of this report.

## Main report

---

- 3.1 A survey and assessment, part-funded by The Carbon Trust, of the Council's BEMS has been carried out. This has identified significant opportunities across the estate for efficiencies through reduction in energy consumption and carbon emissions.
- 3.2 A key recommendation of the Carbon Trust survey was the implementation of a Council-wide BEMS strategy. Capital investment will be required to fund the BEMS upgrade and/or replacement in line with a defined strategy. Effective implementation of this strategy will make a significant contribution towards energy efficiency and subsequent cost savings.
- 3.3 A full asset register and condition survey of BEMS equipment is currently underway. This will allow the assembly of detailed information that will be required for a competitive tender process. This will allow suppliers to provide a service based on known condition, thereby mitigating pricing risk, and will allow the Council to have a detailed, current asset register. This, in turn, will allow detailed asset management, condition audit and maintenance requirements to be scheduled.
- 3.4 A strategy and business case will be presented to Committee in May 2015. This will trigger a competitive tender process under the BEMS upgrade programme to ensure that contracts for maintenance and service are in place for April 2016. The majority of scheduled maintenance and support call-outs occur during the heating season (October – March). It is not advisable to change contractor during this period, and the start of the new contract would be timed towards the end of the heating season.
- 3.5 Given the lack of resilience in current arrangements, it would be detrimental to the operation and performance of the existing BEMS to change the maintenance and support arrangements meantime. This would leave the Council vulnerable to poor operational performance and potential property closure. Whilst it is intended that the upgrade programme will start in 2015, it will take time to replace the systems most in need of upgrade. Through this transition period, it is important that the Council continues to receive continuity of maintenance service

and it is, therefore, recommended that the existing contract is extended to 31 March 2016 to allow for this.

- 3.6 This waiver is in the Council's best interests as it will allow the Council to continue to meet its legal obligations by ensuring that health and safety and statutory compliance requirements, are met and that customers continue to receive the necessary services without disruption.

### **Measures of success**

---

- 4.1 The ongoing provision of BEMS monitoring, servicing and maintenance is required to ensure that properties are safe, fit for purpose and are able to support the delivery of Council services.
- 4.2 The procurement of new upgrade, servicing and maintenance contracts which demonstrate best value to the Council.

### **Financial impact**

---

- 5.1 The cost of the extension will be at the existing contractual price which is approximately £190,000 per annum. This will be accommodated by the existing approved Corporate Property revenue budget for repairs and maintenance.

### **Risk, policy, compliance and governance impact**

---

- 6.1 The risks of not accepting the recommendations could result in the following:
- That Council property will not be compliant and be unable to meet mandatory health and safety and workplace legislation requirements;
  - Properties being unable to facilitate the delivery of Council services including the risk of property closure;
  - Increased expenditure due to loss of system knowledge;
  - Additional expenditure due to increased energy consumption; and
  - Business continuity challenges following contract change/loss of contractor during heating season.
- 6.2 Although there is risk of legal challenge to the extension of existing arrangements, which cannot be discounted, this risk is deemed to be low. The market will be aware that the Council is re-tendering the services and it is likely that potential bidders will bid rather than raise concerns.

### **Equalities impact**

---

- 7.1 The contract extension will positively impact the rights to health and potentially the right to life by ensuring that existing knowledge and understanding of both assets and client-groups are used to maximum advantage and to mitigate risks.

- 7.2 The management of limited resources based on the contractor’s knowledge of asset-condition will allow targeted interventions and minimisation of service failures. This reduces the risk of harm and disruption to service users and staff.

## Sustainability impact

---

- 8.1 The contract extension will ensure continuity of service and minimisation of additional energy consumption and carbon emissions.

## Consultation and engagement

---

- 9.1 Not applicable.

## Background reading/external references

---

- 10.1 Not applicable.

## John Bury

Acting Director of Services for Communities

Contact: Patrick Brown, Building Programme Manager

E-mail: [patrick.brown@edinburgh.gov.uk](mailto:patrick.brown@edinburgh.gov.uk) Tel: 0131 529 5902

## Links

---

<b>Coalition pledges</b>	P50. Meet greenhouse gas targets, including the national target of 42% by 2020.
<b>Council outcomes</b>	CO18. Green – We reduce the local environmental impact of our consumption and production. CO25. The Council has efficient and effective services that deliver on objectives.
<b>Single Outcome Agreement</b>	SO3. Edinburgh’s children and young people enjoy their childhood and fulfil their potential. SO4. Edinburgh’s communities are safer and have improved physical and social fabric.

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## National Housing Trust Phase 3 – Procurement

<b>Item number</b>	7.14
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	All

### Executive summary

---

The purpose of this report is to seek approval from Committee to award four contracts, under the National Housing Trust Phase 3 initiative, subject to the approval of additional borrowing by the Council and subject to necessary statutory consents being obtained by the developers. This would lead to the development of up to 413 mid market rented (MMR) homes. Revenue and capital costs of borrowing for NHT are underwritten by a Scottish Government guarantee.

Previous rounds of NHT have taken forward the development of five large brownfield sites in Edinburgh and delivered 422 mid market rent homes with a further 96 homes currently under construction.

A further round of procurement for NHT was approved by Finance and Resources Committee on 7 May 2014. Eight tenders were returned. Approval is sought to enter into four contracts. If agreed by Committee, this report will be referred to the City of Edinburgh Council on 12 February 2015 for approval of the additional borrowing required.

### Links

---

<b>Coalition pledges</b>	<a href="#">P8, P9</a>
<b>Council outcomes</b>	<a href="#">CO7, CO8, CO16, CO17, CO19</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1, SO2, SO4</a>

## National Housing Trust – Phase 3 Procurement

### Recommendations

---

It is recommended that Finance and Resources Committee:

- 1.1 Approves the award of contracts for the delivery of up to 413 mid market rent (MMR) homes under the National Housing Trust (NHT) Phase 3, subject to Council approval for additional borrowing and confirmation of the Scottish Government capital and revenue guarantee, for the following projects:
  - a) Chesser Developments Limited for up to 80 homes at Fruitmarket, with an on-lending requirement of up to £9,153,123;
  - b) FP Newhaven Two Limited for up to 138 homes at Western Harbour, with an on-lending requirement of up to £17,284,583;
  - c) The Walled Garden (Edmonstone) Limited for up to 28 homes at The Walled Garden, Old Dalkieth Road, with an on-lending requirement of up to £4,703,832; and
  - d) Places for People Shrubhill Limited for up to 167 homes at Shrubhill, Leith Walk, with an on-lending requirement of up to £23,856,089.
- 1.2 Authorises the Director of Services for Communities (or an alternative officer designated by him in writing) to finalise the terms of the contractual documentation based on the terms set out in this report, as well as any amendments the Director of Services for Communities (or designated officer) deems appropriate, and thereafter arrange for the contract to be entered into on behalf of the Council and the said award of contracts effected.
- 1.3 Refers this report to full Council on 12 February 2014 to seek approval for the additional borrowing of up to £54,997,627.
- 1.4 Notes the Council would be required to enter into four separate Limited Liability Partnerships with the Scottish Futures Trust (SFT) for each of the four developments, in order to acquire and manage the homes.
- 1.5 Notes that borrowing of £48,070,975 for on-lending to Registered Social Landlords (RSLs) previously approved by the Finance and Budget Committee on 6 June 2013 and 29 August 2013, is no longer required.
- 1.6 Notes that a report on the progress of NHT will be presented to Committee in the third quarter of 2015/16.

## Background

---

- 2.1 The Council has previously supported five NHT developments in Edinburgh, building 422 new affordable homes with another 96 currently under construction. NHT projects have been supported by Council investment through on-lending of just under £58 million and Scottish Government capital and revenue guarantees. Five Limited Liability Partnerships (LLPs) involving the Council, SFT and developers have been established to manage these developments. To date there has been no call on the Scottish Government guarantee for any of the NHT developments.
- 2.2 To deliver NHT homes, the Council works with the Scottish Government and SFT to procure private developers to build homes for MMR. Homes are funded through Council on-lending to LLPs with Council loans repaid in full, with interest. The Council, SFT and developer are members of the LLP.
- 2.3 The LLP appoints a managing agent and purchases the completed homes from the developer, using the loan from the Council of up to a maximum of 70% of the market value, with the remaining 30% of purchase price met by the developer. The homes are then let at a MMR for between five and ten years, following which they are sold and the loan is repaid to the Council. NHT arrangements are controlled by a robust contractual framework, which has been developed nationally by SFT over the various phases of NHT. It has also been reviewed by Council officers and a framework law firm on behalf of the Council, prior to this procurement commencing. This provides strong contractual protections for the Council and its investment in each project. The Council receives a first ranking standard security over each development, and a floating charge from the LLP, to help further protect its investment, as the Council's borrowing is the first money to be repaid.
- 2.4 On 7 May 2014, the Finance and Resources Committee agreed to a further round of NHT procurement. Committee also noted that around £50 million in additional Council borrowing may be required to support the purchase of homes procured under NHT Phase 3.
- 2.5 In 2013, the Finance and Budget Committee previously approved in principle borrowing for on-lending to RSLs of £48,070,975. This consists of over £10 million approved by the Finance and Budget Committee on 6 June 2013 and a further £38 million approved by the Finance and Budget Committee on 29 August 2013. This borrowing approval was not utilised because RSL developers faced other financial constraints which precluded them from taking forward projects at that time. Some of the projects for which funding was previously awarded are now being taken forward through this phase of NHT.

## Main report

---

- 3.1 Following approval from the Finance and Resources Committee on 7 May 2014, developers were procured through open procurement, with a single stage consisting of an Invitation to Tender (ITT). The ITT was published in the Official Journal of the European Union (OJEU) on 15 September 2014.

- 3.2 Eight tenders were returned on 14 November 2014. SFT and the Council evaluated the tenders during November and December 2014, with financial evaluations carried out by SFT, as was the case in previous phases of NHT. The first stage of evaluation was quality and financial background checks, to ensure that contractors had the experience to deliver the projects and to ensure that financial standing tests were met. Two projects failed this stage due to financial standing, insufficient evidence of relevant experience and technical ability. Six contractors progressed to the second stage.
- 3.3 The second stage consisted of evaluations on quality and deliverability of the proposed project, financial viability and value for money. Two projects failed this stage as the proposed values of properties were above the acceptable margin. The four projects which passed this stage are recommended for approval.
- 3.4 Details of the projects recommended for approval are set out below:

<b>Site and Ward</b>	<b>Developer</b>	<b>Homes</b>	<b>Borrowing required</b>
Fruitmarket <i>Fountainbridge / Craiglockhart ward</i>	Chesser Developments	Up to 80	Up to £9,153,123
R3 and S1 Western Harbour <i>Leith ward</i>	FP Newhaven Two Ltd	Up to 138	Up to £17,284,583
The Walled Garden <i>Liberton/Gilmerton ward</i>	The Walled Garden (Edmonstone) Ltd	Up to 28	Up to £4,703,832
Shrubhill <i>Leith Walk ward</i>	Places for People Shrubhill Ltd	Up to 167	Up to £23,856,089

- 3.5 The Fruitmarket site has been mothballed for a number of years. This site had previously been approved for on-lending by the Council in 2013, but the RSL was unable to take the development forward at that time. Its development will make a significant contribution to the ongoing regeneration of the area.
- 3.6 The Western Harbour sites will complete the development of a major part of the regeneration of the Waterfront. The existing developments at Lindsay Road and Goosander Place delivered 220 affordable homes and were assisted with almost £14 million in grant funding from the Council to Port of Leith Housing Association. New homes under construction at the corner of Sandpiper Road and Newhaven Place have been enabled by previous NHT borrowing of approximately £12 million. If approved, the development of these two western



harbour sites will bring the Council's total investment in these developments to £43 million in grants and loans. Up to 500 affordable homes will have been developed at these sites.

- 3.7 The Walled Garden site sits within the Edmonstone Estate and will be the first NHT homes in the East of the city. This will also be the first time that NHT family houses have been built in Edinburgh, as prior NHT developments have been mainly flats.
- 3.8 The Shrubhill site is one of the Council's twelve priority sites. Previous attempts to develop this site failed. This site was previously approved for on-lending by the Council in 2013, but the RSL was unable to take the development forward at that time. The current owner of the site, Places for People, has extensive experience in mixed tenure regeneration. It also has experience in developing, letting and managing NHT homes. Places for People will make a cash contribution of £109,000 to the LLP at the point of settlement. This proposal forms part of a wider development on the site, which could include a significant number of social rented homes, close to the city centre.
- 3.9 The total funding requirement from the Council for NHT Phase 3, in the form of a loan, is up to £54,997,627. This will deliver up to 413 affordable homes with the loan being repaid between years five and ten. Interest payments are made bi-annually and any shortfall in interest or capital repayments would be covered by the Scottish Government guarantee.
- 3.10 The Scottish Government guarantee will cover homes completed before a long stop date of 31 December 2019. The risk of homes not completing before the long stop date has been assessed as part of the procurement process. If homes do not complete before the long stop date, the LLP will not be obliged to purchase them and the Council would not lend to the LLP.

## Measures of success

---

- 4.1 The development of four sites delivering up to 413 affordable homes, with the loan being repaid between years five and ten.
- 4.2 Modern, energy efficient, affordable homes would be made available at affordable mid market rents. A tenant saving scheme is in place for this phase of NHT to enable tenants to save for a deposit to buy the home they are renting. This is managed by the managing agent.
- 4.3 Council borrowing of up to £54,997,627 is estimated to support over 780 jobs and generate an additional £38 million investment in the wider economy.

## Financial impact

---

- 5.1 Council borrowing of up to £54,997,627 is required to enable the delivery and purchase of up to 413 NHT homes for affordable MMR procured under this phase of NHT. Committee will be aware that previous decisions to approve borrowing of £48 million for on-lending to RSLs, are no longer required.

- 5.2 The Council's borrowing for NHT will be backed by a Scottish Government guarantee covering both revenue and capital costs. The Council has a first ranking security in the NHT model, which ensures that the Council's revenue costs for servicing the debt and capital borrowing is the first money to be repaid making participation in the NHT model low risk for the Council.
- 5.3 If the recommendations of this report are approved, the revenue cost to the Council of providing loans (the interest over the period) will be up to £18,171,000. However, this will be recoverable from the four LLPs through the interest payments the LLPs will make.
- 5.4 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

## **Risk, policy, compliance and governance impact**

---

- 6.1 Risks are monitored through the NHT Project Board, which provides governance and oversight for all NHT projects.
- 6.2 The NHT programme is part of the Major Projects governance monitored by the Council's Corporate Programme Office. An assurance review of the NHT programme was recently undertaken and the programme was awarded an overall status of "green, delivery highly likely".
- 6.3 The main risks to the Council from NHT are mitigated through the provision of a Scottish Government capital and revenue guarantee. This report does not have a negative impact on existing Council policy; other rounds of NHT have previously been approved by committee.
- 6.4 The interest rate for NHT projects is fixed by Scottish Government at 4%. There is a risk that the borrowing undertaken by the Council exceeds this. The risk will be mitigated through treasury management. Further to this any additional costs could be met from Council Tax Discount Fund revenues in future years.

## **Equalities impact**

---

- 7.1 There are no negative equality or human rights impacts arising from this report. These homes will contribute to meeting an affordable housing need that was identified in the Lothians' Housing Need & Demand Assessment, as set out in City Housing Strategy 2012-2017, approved by Health, Social Care and Housing Committee on 13 December 2011.
- 7.2 Bidders for NHT have certified that they comply with current legislation in relation to race relations, sex discrimination, equal pay, disability discrimination and equalities.

## **Sustainability impact**

---

- 8.1 This further round of NHT allows modern, energy efficient homes to be built at very low risk to the Council.

- 8.2 This will have a positive impact on carbon emissions, through the provision of new, energy efficient homes which have a lesser impact on the environment and which will increase the city's resilience to climate change.
- 8.3 Homes which are built will meet the diverse needs of people in existing and future communities and can assist in promoting social cohesion and inclusion. The building of new homes will bring custom to local businesses, supporting the local economy and securing jobs in the city.

## **Consultation and engagement**

---

- 9.1 SFT carried out formal market sounding in early 2014 with the members of Homes for Scotland, which represent the construction industry. Developers and RSLs were also briefed on this phase of NHT.
- 9.2 Public consultation has already or will take place during the planning process, in relation to each site.
- 9.3 Participation in this round of NHT procurement was approved by Finance and Resources Committee on 07 May 2014.

## **Background reading/external references**

---

[Report to Finance and Resources Committee on 5 June 2014 - National Housing Trust Phase 2B](#)

[Report to Finance and Resources Committee on 7 May 2014 - National Housing Trust - Further Round of Procurement](#)

[Report to City of Edinburgh Council on 26 September 2013 - Leith Walk Shrubhill Regeneration On Lending to Registered Social Landlords](#)

### **John Bury**

Acting Director, Services for Communities

Contact: Elaine Scott, Strategy and Investment

E-mail: [elaine.scott@edinburgh.gov.uk](mailto:elaine.scott@edinburgh.gov.uk) | Tel: 0131 529 2277

## Links

---

<b>Coalition pledges</b>	<p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p> <p>P9 - Work in partnership with Scottish Government to release more funds for Council homes for rent.</p>
<b>Council outcomes</b>	<p>CO7 -Edinburgh draws new investment in development and regeneration.</p> <p>CO8 -Edinburgh’s economy creates and sustains job opportunities.</p> <p>CO16 - Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood.</p> <p>CO17 - Continue efforts to develop the city’s gap sites and encourage regeneration.</p> <p>CO19 - Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards.</p>
<b>Single Outcome Agreement</b>	<p>SO1 -Edinburgh’s economy delivers increased investment, jobs and opportunities for all.</p> <p>SO2 -Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health.</p> <p>SO4 - Edinburgh’s communities are safer and have improved physical and social fabric.</p>
<b>Appendices</b>	<p>Appendix 1 - Summary of Tendering and Tender Evaluation Processes.</p>

## Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract Name	National Housing Trust Phase 3 OJEU Ref: 316825-2014 (2014/S 180-316825)
Contract Period	5-10 Years
Estimated Contract Value	Up to £54,997,627
Standing Orders Observed	Yes
EU Procedure Chosen	Open Procedure
Tenders Returned	8 Tenders Returned
Tenders Fully Compliant	4 Tenders Fully Compliant
Recommended Supplier	Subject to statutory consents: Chesser Developments, up to 80 Units FP Newhaven Two Limited, up to 138 Units The Walled Garden (Edmonstone) Limited, up to 28 Units Places for People Shrubhill Limited, up to 167 Units
Primary Criteria	<b>Qualitative (50%)</b> Outline Development Proposal Approach to Management and Maintenance Specification <b>Quantitative (50%)</b> Valuation Viability Investment Return
Evaluation Team	Alex Blyth - CEC Hazel Ferguson - CEC Neil Watts - CEC Christine Gray - Scottish Futures Trust
Procurement Advisors	Laurie Carberry – CEC Category Manager Christine Gray - Scottish Futures Trust Graeme Young - CMS Cameron McKenna

# Finance and Resources Committee

10am, Tuesday, 3 February 2014

## Extension of Service Level Agreement with Edinburgh Tenants' Federation

Item number	7.15
Report number	
Executive/routine	
Wards	All

### Executive summary

Edinburgh Tenants Federation (ETF) represents community tenant organisations in the city. It also provides services to the Council to assist it to meet its statutory responsibilities to promote effective tenant participation. The purpose of this report is to seek approval to extend the current Service Level Agreement (SLA) between the Council and ETF until the end of March 2016.

A report on a revised Tenant Participation Strategy will be considered by Health, Social Care and Housing Committee on 30 April 2015. This will inform the priorities for tenant participation. Further consideration needs to be given to the procurement approach for services to support tenant participation.

While tenant satisfaction with the housing service is very high compared to other social landlords, tenant satisfaction with opportunities to participate is lower than average. At the same time the Council spends £47 per tenant per year on tenant participation compared to other landlords whose average spend is £36 per tenant. The value of this proposed extension would be £241,083 and costs are met from the Housing Revenue Account (HRA).

### Links

Coalition pledges	<a href="#">P8</a>
Council outcomes	<a href="#">CO16</a> , <a href="#">CO23</a>
Single Outcome Agreement	<a href="#">SO4</a>

## Extension of Service Level Agreement with Edinburgh Tenants' Federation

### Recommendations

---

It is recommended that Finance and Resources Committee:

- 1.1 Agrees to extend the Service Level Agreement (SLA) with Edinburgh Tenants Federation (ETF) until 31 March 2016 to allow for service requirements and procurement options to be reviewed.
- 1.2 Notes that future provision of tenant participation related services will be reported to Finance and Resources Committee in Autumn 2015.

### Background

---

- 2.1 The Housing (Scotland) Act 2001 places statutory duties on landlords to promote tenant participation. Landlords are required to consult tenants and Registered Tenants Organisations (RTOs) on proposals that affect them and take account of their views.
- 2.2 The Scottish Social Housing Charter (SSHC), which came into effect on 1 April 2012, requires landlords to ensure that tenants and customers find it easy to participate in and influence their landlord decision making processes at every level. The Scottish Housing Regulator (SHR) is responsible for ensuring that landlords meet the requirements of the SSHC.
- 2.3 ETF has been funded through the Housing Revenue Account (HRA) since 1990, initially grant funding and from 2005, via a SLA. ETF plays a unique representative and service delivery role and provides services to support the Housing Service meet its statutory responsibilities to tenant participation. Current funding ceases on the 31 March 2015.

### Main report

---

- 3.1 ETF is a citywide representative organisation for tenants and tenants' groups. It provides a representative means for consultation and participation work on citywide housing and related policies. The Council also offers funding in the form of small grants to local registered tenants organisations.
- 3.2 ETF also has a service delivery role in developing and supporting local associations and area based groups and promoting tenant participation. It employs four full-time members of staff.

- 3.3 It is proposed that the current SLA is extended until March 2016 to allow for consideration of a revised tenant participation strategy and consideration of the procurement options to support the strategy.
- 3.4 A report on a revised Tenant Participation Strategy will be considered by Health, Social Care and Housing Committee on 30 April 2015. This report will address the relatively low levels of satisfaction of current tenants with opportunities to participate and will inform the future priorities for tenant participation.
- 3.5 The Housing Service has already taken forward a number of initiatives to improve tenant participation including setting up a tenants' panel and publishing more regular communication directly to tenants. In addition, priorities for ETF in 2015/16 will include a refreshed programme of tenant led inspections on key aspects of the housing service and establishing three working groups on value for money, repairs and consultation on rent levels.

## **Measures of success**

---

- 4.1 Increased tenant satisfaction with opportunities to participate. In 2013 the Tenants' Survey found 66% of tenants were satisfied. The Scottish national average is 78%.

## **Financial impact**

---

- 5.1 The full cost of the SLA extension would be £241,083. This cost would be met from the HRA.
- 5.2 In 2013/14, in addition to the Council funding, ETF also received £1,000 from an Edinburgh based RSL and raised £1,156 through training income. In 31 March 2014, ETF's net assets were £95,728 (unrestricted funds), £15,292 (designated) and £1,483 (restricted).

## **Risk, policy, compliance and governance impact**

---

- 6.1 There is some risk of challenge from organisations who provide tenant participation services. The one year extension will allow time to review the procurement approach that is in line with new Tenant Participation Strategy. Any future arrangements will be compliant with procurement requirements.
- 6.2 This risk is being mitigated by a review of the SLA and strengthened performance monitoring to ensure that ETF provides the full range of services required of the development role.
- 6.3 ETF plays a substantial role representing tenants' views to the Council and supporting tenant involvement. To cease providing this service at this juncture would lead to a significant gap in service provision while new arrangements are put in place.
- 6.4 ETF has a high campaigning profile on social housing issues. The Convenor is this year's Lord Provost Inspiring Volunteer of the Year. Another ETF Executive member was voted 'Tenant Participation Champion', a new award introduced to recognise tenant participation 'volunteering' in the city. ETF has also won



several awards for its joint work with the Council on mental health awareness. This includes the Frances Nelson Award and the Guardian Public Services Award for skills development in the 'Innovation and Progress' category.

## Equalities impact

---

- 7.1 The current Tenant Participation Strategy Equalities & Human Rights Impact Assessment is being reviewed to support new arrangements. The Tenant Participation Strategy will include actions to remove barriers to participation and enhance people's ability to influence decision making. ETF has a robust Equality and Diversity Policy in place.

## Sustainability impact

---

- 8.1 The Tenant Participation Strategy and ETF's work contributes to green initiatives citywide, for example, energy efficiency information events.

## Consultation and engagement

---

- 9.1 Meetings with the convenor, vice-convenor and co-ordinator have provided an opportunity to discuss the procurement approach with ETF. ETF have indicated that they would prefer an approach where funding was continued for both their representative role and the provision of services for tenant participation.

## Background reading/external references

---

None.

## John Bury

Acting Director of Services for Communities

Contact: Samantha Reeves, Senior Officer Tenant Participation

E-mail: [Sam.reeves@edinburgh.gov.uk](mailto:Sam.reeves@edinburgh.gov.uk) Tel: 0131 529 7805

## Links

---

<b>Coalition pledges</b>	P8 - Make the sure the city's people are well housed.
<b>Council outcomes</b>	CO16 - People live in a good quality home that is affordable and meets their needs in a well managed neighbourhood. CO23 - Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community.
<b>Single Outcome Agreement</b>	SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
<b>Appendices</b>	None.

# Finance and Resources Committee

10am, Tuesday, 3 February 2015

## External Funding Initiative – Spend to Save Programme

<b>Item number</b>	7.16
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	All

### Executive summary

---

This report follows on from the Finance and Resources Committee’s agreement on 7 May 2014 to establish a new “Whole Council” approach to external funding. The objective is to lever in resources from external funding sources. This report provides an update on progress since the appointment of the external funding officers in October 2014.

### Links

---

<b>Coalition pledges</b>	P28, P30
<b>Council outcomes</b>	CO7, CO8, CO9, CO25, CO26
<b>Single Outcome Agreement</b>	SOA1

## External Funding Initiative

### Recommendations

---

- 1.1 The Committee is asked to:
- Note the mapping of Council External Funding received in the last four years;
  - Note the work to date of the External Funding Team and External Funding Group and current bids;
  - Agree the basis by which officer activity could reimburse the “Spend to Save” fund.

### Background

---

- 2.1 The Committee agreed the development of a new Council resource opportunities team by investing £100,000 of “Spend to Save” funding to recruit two specialist posts. Bids were to have a minimum value of £50,000 and it was to be repaid by a 5% management fee over two years. Three year fundraising targets were set out as follows: £500,000 for 2014/15, £2,000,000 for 2015/16 and £4,000,000 for 2016/17.
- 2.2 The external funding initiative was established under the ‘Spend to Save’ programme to explore effective new ways of generating additional revenue for delivery of the Council’s strategic priorities.
- 2.3 In addition to the existing work carried out on EU Funding within External Relations, the new team resource would look at a wide range of funding options, including Lottery Funding, sources of funding from the Scottish and UK Governments, philanthropic and charitable organisations/ grant making bodies. The team’s work would also dovetail into workstreams on Corporate Social Responsibility funding.
- 2.4 The previous report concluded that there were a number of factors that act as barriers to the leveraging of external resources: the need for greater co-ordination across services; a need for more corporate bidding expertise and capacity; and a need to lever in additional matching resources. The new initiative would address this by reviewing and targeting income to align with service activity plans; setting realistic targets for the resources team in a competitive environment; and encouraging a more proactive approach to maximise potential match funding opportunities.

### Mapping Exercise

- 3.1 Throughout November and December 2014 the external funding team liaised with service areas to establish current and recent access to external funding. Information received from Finance and service areas formed the basis of a mapping exercise. Table 1 below shows the external funding received for Council projects between 2011 and 2014.

Table 1: CEC project funding from external funding sources, 2011 – 2014

Directorate	Total 2011-14
Children & Families	£4,819,305
Economic Development	£4,784,575
Corporate Governance	£2,897,000
Health and Social Care	£488,000
Services for Communities	£14,748,585
All Services	£27,737,465

- 3.2 It should be noted that the figures in Table 1 are meant as a guide only. They give an indication of the external funding sources service areas have been able to tap into but they do not necessarily reflect the ability of service areas to attract external funding. Two factors are of note: the availability of funding streams over the given period of time; the staff resources or capacity of a service area to respond with appropriate projects. It is the case that some service areas will have access to a wider range of funding opportunities than others.
- 3.3 The mapping exercise has shown that:
- The largest sources of funding to the Council in the specified time period have been: the European Commission, the Scottish Government, the Heritage Lottery Fund, Creative Scotland and Sport Scotland.
  - Some service areas are already successfully writing bids and managing grants and this offers an opportunity to build on this experience and expertise. Examples include Economic Development and EU Funds, Services for Communities and Sustrans, Children and Families and Sport Scotland.

- c. Some service areas have been historically accessing one particular Scottish Government fund, and need to prepare for change and look towards other opportunities.
- d. There are some funds which the Council could be applying for which it currently does not or seldom accesses.

### **External Funding Team**

- 3.4 The external funding officers now act as a central point for information relating to external funding across the Council. This includes: being aware of funding opportunities; awareness of bids in progress and projects in development; recording bidding successes and failures and maintaining positive relationships with funders. This will help avoid service areas competing for the same funds or duplicating activity within different bids.
- 3.5 Local delivery of services through the 'Organise to Deliver' model supports active engagement by the funding team alongside service areas within the City of Edinburgh Council's localities.

### **External Funding Group**

- 3.6 In order to provide strategic overview and direction a corporate external funding group has been established with membership from across service areas. This group meets every six weeks - three meetings have been held to date. Representatives within the group steer the external funding officers to projects and contacts seeking finance. The group will also ensure forward planning of opportunities and oversight of innovative/ competitive bids and partnerships.
- 3.7 A new funding newsletter 'Funding Focus' has been developed for issue by Councillors Ross and Dixon every eight weeks to ensure links into the income maximisation agenda. In addition, to highlighting funding opportunities, the newsletter also reports bidding successes, promotes awareness of events related to funding and advertises opportunities for the Council to contribute to funder consultations.
- 3.8 It is considered essential that all bids submitted contribute to the Council's strategies, corporate standards and policy objectives. They should be forward thinking and innovative, and developed in partnership to ensure the achievement of business objectives and consistent standards across the organisation.

### **Current Funding Bids and Activities**

- 3.9 Opportunities for developing funding bids have resulted from service areas coming forward with proposal ideas; having either been put forward by the external funding group; or contacting an external funding officer directly.
- 3.10 The officer seeks to understand the project background and context from the bidder. From this the officer imparts advice on how to develop the project further. If the bidder doesn't have any identified funding stream the officer will then try to seek out potential funding matches.

- 3.11 At present the funding team are working on a number of projects:
- a) Services for Communities - Regeneration. Round 1, Gracemount Stable Block and Walled Garden Heritage Lottery Fund Bid. This project is estimated to be bidding for around £300,000 for the full capital project value. The first stage submission would be in the first half of 2015.
  - b) Economic Development - Business Partnerships. Edinburgh '12' sites and pipeline. Consideration is being given to submission to the Community Links programme/Sustrans by February 2015. The project value is £610,000 for the Edinburgh promenade. This bid is for a 50% match funded value of £305,000. The submission deadline is February 2015.
  - c) Corporate Governance - various Open Data and ICT project proposals involving NESTA and the EU. At early stage of development with relevant Council partners. The estimated value of the NESTA and the EU ICT projects would be £50,000 each, of which 100% of the costs are recoverable.
  - d) Economic Development - Sustainable Development. EU Horizon 2020, Smart Cities and Communities bid. The deadline for EU call is May 2015. The bid is at an early stage of development. It is anticipated that the bid would be worth over £1million to the Council, all costs would be funded at 100%.
  - e) Services for Communities/Economic Development 'Little France Park', the development of land at the Edinburgh BioQuarter. This project is part of a Scottish consortium of projects led by Scottish Natural Heritage. Further information is anticipated from SNH regarding timescales costs and match funding required, and detailed criteria.
  - f) Other current activities include: supporting the development and delivery of Edinburgh's Corporate Social Responsibility Initiative and the One City Trust, arranging funder talks and events, seeking out new funding opportunities and raising awareness of these through the funding bulletin.

### **Financial model operation**

- 3.12 Part of the original aim and purpose of the 'Spend to Save' model is that the service would be self generating and begin to pay for itself over time.
- 3.13 Corporate Management Team (CMT) and the external funding group have been consulted on proposals for the best way to carry forward a fee charging model.
- 3.14 After consultation it was decided that the most practical model to be used for recharging against the 'Spend to Save' model is by offering service users a choice of two payment methods for using the service.
- a) Payment by a set percentage fee rate, which takes into account the size of the project and income gained on winning the funding. This may be better suited to some of the medium size projects or larger projects. It might also

work well where costs for administration or development can be built into the funding application.

- b) Payment by officer time, which takes into account the amount of weeks or months given in contribution to developing a project proposal. This might be the preferred payment method on projects of a very large scale, or where a project doesn't easily facilitate reclaiming a development fee.

- 3.15 It is requested that the use of this model is reviewed after a twelve month period of operation to ensure that the charging model applied is best suited to the needs of service area users.

## Measures of success

---

- 4.1 During their three months of operation to date the external funding team has met with Service Areas to map external funds received over the last four years to create a benchmark from which to build on.
- 4.2 Two 'Funding Focus' newsletters have been issued which have been sent to a wide range of Council contacts and projects.
- 4.3 The corporate external funding group is established to identify and steer bids for finance.
- 4.4 The external funding team have met with funding bodies and are arranging awareness raising events focusing on innovation and funding opportunities for the Council.

## Financial impact

---

- 5.1 This initiative is designed to generate additional resources through attracting more external funding, and thereby supporting efforts to relieve pressure on core Council budgets, augmenting or adding value to Council initiatives.
- 5.2 Finance and Resources Committee approved funding of £100,000 in total from the 'Spend to Save' fund at its meeting of 7 May 2014.

Table 2: External funding targets by year

Financial Year	Funding Target
2014/15	£500,000
2015/16	£2,000,000
2016/17	£4,000,000

## **Risk, policy, compliance and governance impact**

---

- 6.1 There is a risk that the team becomes “funding-driven”. This can be mitigated by careful monitoring and by seeking funds that fully reflect Council core objectives.
- 6.2 Another risk is being unable to meet record keeping, contract or audit requirements. The Council has significant experience in ensuring a clear audit trail is respected, particularly in terms of European funding.
- 6.3 Another risk is of not achieving the full suggested targets for leverage, or the full recovery of the ‘spend-to-save’ investment.
- 6.4 Factors influencing this are primarily whether projects closely match the narrow and strict criteria of funding bodies, whether the timescale for the start of the funding project falls into the relevant financial year, and whether heavy competition comes from rival bids.
- 6.5 This can be best mitigated by high quality strategic bids supported by the external funding team and group.
- 6.6 There is also a potential risk that service areas are deterred from using the external funding team services; due to the additional costs they might incur from the fee charged under ‘Spend to Save’ delivery model. This is best mitigated via support from External Funding Group and close scrutiny of match funding options.

## **Equalities impact**

---

- 7.1 There are no direct equalities impacts arising from this report.
- 7.2 Positive equalities impacts may arise from new projects which target equalities outcomes.

## **Sustainability impact**

---

- 8.1 Given that there are substantial funds related to sustainability and low carbon objectives, the implementation of the recommendations in this report should lead to positive impacts.

## **Consultation and engagement**

---

- 9.1 This proposal has received full support from CMT. The corporate external funding group has already begun to act as a consultation and advisory board on priorities regarding bidding for external resources.



## Background reading/external references

---

### Greg Ward

Director of Economic Development

Contact: Elaine Ballantyne, Service Manager, External Relations

E-mail: [elaine.ballantyne@edinburgh.gov.uk](mailto:elaine.ballantyne@edinburgh.gov.uk) | Tel: 0131 469 3854

## Links

---

<b>Coalition pledges</b>	P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city
	P30 - Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO7 - Edinburgh draws new investment in development and regeneration
	CO8 - Edinburgh's economy creates and sustains job opportunities
	CO9 - Edinburgh residents are able to access job opportunities
	CO25 - The Council has efficient and effective services that deliver on objectives
	CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
<b>Single Outcome Agreement</b>	SOA1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
<b>Appendices</b>	

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## Review of Community Access to Schools – Revised Scale of Charges

Item number	7.17
Report number	
Executive/routine	
Wards	All

### Executive summary

---

At its meeting of 20 May 2014, the Education Children and Families Committee agreed to:

- support the phased implementation of revised charges for use of secondary school facilities, from 1 April 2015, and that;
- undertake further work to consolidate the revised scale of charges including the introduction of commercial rates for businesses that utilise school facilities;
- note the current range of charges applied for participation in Adult Education programmes citywide and support the staged implementation of revised charges commencing in autumn 2015 followed by full harmonisation of charges in autumn 2016;
- support the removal of internal recharges for use of school premises by schools and other Children and Families staff during normal school operating hours from 1 April 2015;

### Links

---

Coalition pledges	<a href="#">P4</a>
Council outcomes	<a href="#">CO1</a> , <a href="#">CO2</a> , <a href="#">CO4</a> , <a href="#">CO23</a> , <a href="#">CO24</a>
Single Outcome Agreement	<a href="#">SO4</a>

- note the unique arrangement, as approved by [Council on 25 October 2012](#), of allowing bookable free access to residents of the Portobello area which will apply in perpetuity to the pitches which would be created as part of the project to build a new Portobello High School on part of Portobello Park, in the event that the school was ultimately built in that location.

Work to develop a revised scale of charges for use of secondary school facilities and for participation in Adult Education programmes citywide has now been completed. Development of the revised scale of charges has been undertaken in line with the City of Edinburgh Council's Corporate Charging Policy. It should be noted that it is now not intended to phase in implementation of revised charges for Adult Education programmes and use of secondary school facilities and members are invited to approve the appended revised scale of charges for implementation commencing from August 2015.

## Review of Community Access to Schools – Revised Scale of Charges

### Recommendations

---

- 1.1 Members of the Finance and Resources Committee are asked to:
  - 1.1.1 Approve implementation of the appended revised scale of charges for participation in Adult Education programmes and use of secondary school facilities across the city from August 2015.

### Background

---

- 2.1 In 2012 a commitment was made by the Council to review the arrangements for Community Access to Schools (CATS). A Project Team was established in November 2012 led by a Senior Education Manager, bringing together representatives of all relevant sectors, to take forward the Council's commitment.
- 2.2 The overall aims of the review are to:
  - 2.2.1 Maximise use of school facilities within and outwith normal school operating hours by, where possible, increasing usage of facilities by local people and ensuring provision is responsive to local needs.
  - 2.2.2 Bring consistency to charges for use of school premises that takes account of the quality of facilities available.
  - 2.2.3 Ensure users and potential users of school facilities can access on-line information about facilities available and enrol for adult education classes and other activities.
  - 2.2.4 Improve collaborative working across council services including; Children and Families, Culture and Sport and library services, in addition to the development of new partnership arrangements with Edinburgh Leisure.
  - 2.2.5 Ensure facilities are also utilised to contribute to the local implementation of national sports and culture strategies.

- 2.3 To support the vision for Community Access to Schools, new area based management/staffing arrangements were introduced across the city in September 2014 following an organisational review of the existing management arrangements for school based community programmes. Responsibility for all aspects of CATS, remains within Schools and Community Services and will be managed by Community Learning and Development (CLD) from 1 April 2015.

## Main report

---

### Current Charges

- 3.1 Currently each of the city's 23 High Schools is set an annual income target which for 2014/15 collectively totals £1.87m. This income is generated outwith the school day and at weekends primarily from the letting of school premises and facilities by a range of groups, organisations and individuals. In addition, adult education programmes, holiday programmes and other activities such as swim schemes contribute significantly to income generation from the use of secondary school facilities.
- 3.2 Currently there is no consistency in charges applied for use of school facilities with prices ranging considerably across the city (see Appendix 1). Charges for participation in Adult Education programmes also vary but to a lesser degree than those applied to use of school facilities (see Appendix 2).

### Introduction of a commercial rate

- 3.3 A range of commercial organisations and businesses currently hire school facilities as venues to deliver their activities and programmes, yet many profit making bodies or individuals pay the same rate to let school premises as non profit making organisations, groups or individuals. In recognition of this, and to ensure greater equality across users of school premises, the introduction of a commercial rate was approved by the [Education Children and Families committee in May 2014](#). This is now included in the proposed scale of charges detailed in Appendix 3 and further detailed in the Let Categories document (Appendix 4).

### Development of the revised scale of charges

- 3.4 The development of the revised scale of charges for use of school facilities has been undertaken by a sub-group of the CATS review project team that is chaired by the Senior Education Manager, Schools and Community Services. The project team consists of a range of cross departmental council officers and other stakeholders including representatives from Edinburgh Leisure. The sub-group consisted of members of the project team and has also included representatives from the city's 23 High School Business Managers.

- 3.5 Development of the revised scale of charges was undertaken by benchmarking against charges applied by other Scottish local authorities including; West and East Lothian, Perth and Kinross and the City of Glasgow. In addition the revised charges were also informed by; charges recommended by Sportscotland for the use of sports facilities nationally, those currently applied by Edinburgh Leisure and the City of Edinburgh Council's annual proposed charges for use of school facilities.

#### **Revised scale of charges for Adult Education Programmes**

- 3.6 A Working Group, consisting of professional staff from the field of Adult Education working on behalf of the CATS project team, have reviewed the charges that are currently in place across the city for participation in Adult Education provision. The revised charges have been developed utilising their vast experience, knowledge and understanding of the range of participants engaging in citywide Adult Education opportunities and to bring consistency to charges and concessionary rates for participation in adult education opportunities across the city. The resulting proposed charges are detailed in Appendix 5.

#### **The New Portobello High School**

- 3.7 The unique arrangement, as approved by [Council on 25 October 2012](#), of allowing bookable free access to the pitches, that are being created as part of the new Portobello High School to residents of the Portobello area, will apply in perpetuity.

### **Measures of success**

---

- 4.1 Implementation of a revised scale of charges for use of school facilities and participation in Adult Education programmes will result in the achievement of a number of outcomes:
- 4.1.1 greater clarity and consistency for the public who wish to utilise secondary school facilities or participate in Adult Education programmes, regardless of what venue they choose across the city;
  - 4.1.2 clear and consistent guidelines will be developed to support the implementation of new charges to ensure consistency and clarity in the information available to the public;
  - 4.1.3 the successful development and implementation, in September 2014, of an on-line booking and payment system for Adult Education classes citywide will be followed by the implementation of an on-line booking and payment system for letting school facilities by the end of 2015;
  - 4.1.4 where possible, levels of community access to schools will be increased.

## Financial impact

---

- 5.1 Resources currently allocated to support community programmes and community access within the eight designated community high schools is £3.2m per annum. The income generated from community access to all schools across the city is currently £1.87m per annum. Implementation of revised scale of charges for participation in Adult Education programmes and use of school premises will assist in increasing income and reducing costs e.g. by increasing footfall and reducing management costs. Efficiencies of £300,000 approved in 2013 were achieved in the financial year 2014/15.
- 5.2 The new proposed scale of charges for lets has been tested in a sample of eight High Schools. Application of proposed charges would result in increased income of £82,000. A significant proportion of this increased income will be achieved through the introduction of the Commercial Let category. In relation to Standard and Concessionary charges, current arrangements and inconsistencies in charges will mean some groups will pay more than they do currently but others will pay less.

## Risk, policy, compliance and governance impact

---

- 6.1 A full risk register of the CATS review is being developed and the following key risks to the Council have been identified:
- 6.1.1 inability to achieve increased Community Access to Schools;
  - 6.1.2 lack of agreement on implementation of a standard scale of charges for use of school facilities will result in continuation of an inconsistent approach across the city in relation to access and charging for Community Access to Schools;
  - 6.1.3 inability to meet the ambition of achieving better coordination and improved collaboration in relation to Community Access to Schools;
  - 6.1.4 potential loss of customers because of high charges resulting in an inability to achieve income targets. This could be mitigated by phased implementation of the Commercial rate;
  - 6.1.5 impact of increased utilisation of PPP2 school facilities and any additional costs arising from this where such use across the estate exceeds the hours for which provision is made in the core contract.
- 6.2 An annual CATS monitoring and evaluation structure will be developed and implemented to evaluate the impact implementation of revised charges has and will be reported to the relevant Council committees with revision of arrangements as required.

## Equalities impact

---

- 7.1 A full equalities rights impact assessment (ERIA) of the CATS review was undertaken and submitted to the [Education Children and Families Committee in May 2014](#). A summary is included in Appendix 5.

## Sustainability impact

---

- 8.1 There are no adverse impacts arising from this report.

## Consultation and engagement

---

- 9.1 Consultation and engagement has been undertaken, and continues to be undertaken, throughout implementation of the CATS review. A wide range of partners and stakeholders continue to be engaged including primary and secondary schools, Edinburgh Leisure, Culture and Sport, voluntary organisations, current users of school facilities, staff directly or indirectly affected by the review of CATS and Trades Unions.
- 9.2 Specific consultation with users of school facilities was initially undertaken through an on-line survey hosted on the Council's consultation hub. This has been followed up with a series of engagement events for users of school facilities held in December 2014 and early January 2015.

## Background reading/external references

---

[Review of Community Access to Schools report, Education Children and Families Committee, 20 May 2014](#)

### **Gillian Tee**

Director of Children and Families

Contact: David Bruce, Senior Education Manager

E-mail: David.Bruce2@edinburgh.gov.uk Tel: 0131 469 3795



<b>Coalition pledges</b>	P4 - Draw up a long-term strategic plan to tackle both over-crowding and under use in schools.
<b>Council outcomes</b>	<p>CO1 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.</p> <p>CO2 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities.</p> <p>CO4 - Our children and young people are physically and emotionally healthy.</p> <p>CO23 - Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community.</p> <p>CO24 - The Council communicates effectively internally and externally and has an excellent reputation for customer care.</p>
<b>Single Outcome Agreement</b>	SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
<b>Appendices</b>	<p>Appendix 1 – Current Range of Charges for use of School Facilities</p> <p>Appendix 2 – Current scale of Charges for Participation in Adult Education Programmes</p> <p>Appendix 3 – Proposed Scale of Charges for use of secondary school facilities</p> <p>Appendix 4 – Proposed Let Categories</p> <p>Appendix 5 - Proposed Scale of Charges for Participation in Adult Education Programmes</p> <p>Appendix 6 - CATS ERIA Summary, May 2014</p>

## Current Range of Charges for use of School Facilities

Facility	Categories	Current Range of charges (per hour)	Average cost incurred by current users per hour
3G Full	Adult	£50 to £75	£56.00
Half		£25 to £30	£27.50
1/3rd		£22.00	£26.00
3G Full	Junior/OAP	£25 to £50	£37.00
Half		£15.50 to £30	£22.75
1/3rd		£11 to £17	£14.00
3G Full	Concession	N/A	
Half		N/A	
1/3rd		N/A	
2G Pitch	Adult	£42 to £60	£52.00
Half		£24 to £25	£24.50
1/3rd		£16 to £20	£18.00
2G Pitch	Junior/OAP	£20 to £59	£33.00
Half		£16.67 to £20	£18.41
1/3rd		£10 to £20	£13.00
2G Pitch	Concession	N/A	
Half		N/A	
1/3rd		N/A	
Sport Hall	Adult	£23.50 to £47.50	£31.30
Sport Hall	Junior/OAP	£11 to £25	£17.60
Sport Hall	Concession	N/A	
Gym	Adult	£12.50 to £30	£22.00
Gym	Junior/OAP	£9.35 to £19	£13.77
Gym	Concession	N/A	
Bad C'rt	Adult	£6.75 to £9.20	£8.35
Bad C'rt	Junior/OAP	£4.75 to £6.20	£5.20
Bad C'rt	Concession	N/A	
Fit Suite	Adult	N/A	
Fit Suite	Junior/OAP	N/A	
Fit Suite	Concession	N/A	
Pool 15m x 4 lanes	Adult	£25 to £35	£32.00
	Junior/OAP	£22.00	£22.00
	Concession	N/A	
Pool 17m x 4 lanes	Adult	£15.41 to £38.50	£29.63
	Junior/OAP	£22.00	£22.00
	Concession	N/A	
Pool 25m x 4 lanes	Adult	£35.00	£35.00
	Junior/OAP	N/A	
	Concession	N/A	
Grass Pitch	Adult	£25.75 to £42	£34.70
Grass Pitch	Junior/OAP	£12.36 to £24	£19.57
Grass Pitch	Concession	N/A	
Assembly Hall	Adult	£9.61 to £75	£30.00
Assembly Hall	Junior/OAP	£5.20 to £35	£19.00
Assembly Hall	Concession	N/A	
Classroom	Adult	£4.40 to £25	£12.50
Classroom	Junior/OAP	£4.30 to £25	£9.00
Classroom	Concession	N/A	
Multi Purpose	Adult	£4.40 to £45	£17.50
Multi Purpose	Junior/OAP	£3.50 to £45	£13.50
Multi Purpose	Concession	N/A	

**APPENDIX 2**

**Table of Current Adult Education Programme Charges**

<b>Provider</b>	<b>Standard Fee 10 weeks x 2 hours</b>	<b>Student Fee</b>	<b>Senior Citizen</b>	<b>Concession</b>
CLD Citywide Adult Education Programme	£61.20	£30.60	£24.48	£13.26
Balerno Community High School	£65.00	£32.50	£32.50	£32.50
Castlebrae Community High School	£50.00	£30.00 (Under 18)	£26.00	£13.00
Craigroyston Community High School	£50.00	£25.00	£25.00	£15.00
Currie Community High School	£55.00	£27.50	£27.50	£27.50
Drummond Community High School	£58.00	£33.00	£28.50	£14.00
Leith Academy	£57.00	£31.00	£26.50	£13.00
Sth. Queensferry Community High School	£60.00	£33.00	£26.00 (60+ Not employed)	£15.00
WHEC	£59.00	£33.00	£26.00	£13.00

## APPENDIX 3

### Proposed Scale of Charges for Use of Secondary School Facilities

Facility	Description	Standard	Concession/Over 60 Retired/Youth Registration	Commercial
<b>3G Synthetic Pitch per hour*</b>	Full Pitch	£51.50	£34.50	£64.00
	Half Pitch	£32.00	£21.50	£40.00
	Third Pitch	£21.00	£14.00	£26.00
<b>2G Synthetic Pitch per hour</b>	Full Pitch	£49.50	£33.00	£62.00
	Half Pitch	£30.00	£20.00	£38.00
	Third Pitch	£20.00	£13.50	£25.00
<b>Sports Hall per hour</b>	4 x badminton courts	£28.00	£19.00	£35.00
<b>Large Gym per hour</b>	1 x Badminton Court	£20.00	£13.50	£25.00
<b>Badminton Court per hour</b>	Per Court/hr	£13.50	£9.00	£17.00
<b>Dance Studio per hour</b>	As above with mirrors	£20.00	£13.50	£25.00
<b>Pool Hire per hour</b>	15m x 4 lanes	£29.00	£19.50	£36.00
	17m x 4 lanes	£33.00	£22.00	£41.00
	25m x 4 lanes	£37.00	£25.00	£46.00
<b>Grass Pitch</b>	Per Game (2hr)	£37.00	£25.00	£46.00
<b>Small room/classroom per hour</b>	up to 100m <sup>2</sup>	£10.00	£7.00	£12.50
<b>Medium room per hour</b>	up to 200m <sup>2</sup>	£20.00	£13.50	£25.00
<b>Large room per hour</b>	up to 300m <sup>2</sup>	£26.00	£17.50	£32.50
<b>Extra Large room per hour</b>	300m <sup>2</sup> +	£33.00	£22.00	£41.00
<b>Dance Studio per hour</b>	As above with mirrors	£20.00	£13.50	£25.00

#### Notes

\* Where a 3G pitch has been purchased through prudential borrowing different charges may apply, customers will be informed when applying for a let.

VAT applies to certain let charges customers will be informed if VAT is applicable when applying for a let.

## LETTING OF SCHOOL PREMISES

### CATEGORIES

The following categories will apply to any group, individual or organisation wishing to let City of Edinburgh Council school premises/facilities;

#### **Commercial rate**

The Commercial rate will apply where individuals, groups or organisations generate income or profit and/or to pay staff salaries.

Other key features of commercial organisations will include;

Franchised businesses and/or activities where groups or individuals require to be licensed to deliver their activities or programmes e.g. Zumba, Bodypump, Scottish Slimmers, Les Mills etc.

Groups and organisations from outwith the City of Edinburgh Council area who let facilities will also be required to pay the commercial rate.

#### **Concessionary rate**

The Concessionary rate will apply to any individual or group where 75% or more of members are in receipt of any of the following:

- Disability Living Allowance (DLA) or PIP
- Council Tax Reduction Scheme
- Employment Support Allowance
- Housing Benefit
- Incapacity Benefit
- Income Based Jobseekers Allowance
- Income Support
- NASS Support
- Pension Credit
- Universal Credit
- Working Tax Credit

Or who are:

- 16 or 17 years old
- 60+, retired and not in employment
- Full time student

- Proof of entitlement to the Concessionary rate must be provided prior to commencement of a let.

The following groups or organisations will also qualify for Concessionary rates:

- Those that have achieved Youth Registration status
- Non-profit making community groups e.g. Tenant's/residents groups, local heritage societies, community trusts
- Community groups or organisations who work in partnership with the Council to deliver council and/or national priorities e.g. Total Craigroyston, non-profit making cultural groups

### **Standard**

The Standard rate will apply to any individual or group who do not come into any of the categories above.

### **Youth Registration**

Organisations whose *total* membership is 75% under age 18 are eligible to apply for Youth Registration and will qualify for concessionary rates upon payment of an annual registration fee. A Youth Registration application form is available from:

School Lets Section  
Level 1.2  
Waverley Court  
4 East Market Street  
Edinburgh  
EH8 8BG  
Telephone: 0131-469-3108

### **Special Events**

Where a group or organisation intends to hold a special event, for example; conference, seminar or tournament, the standard rate will be charged for each school facility used.

### **Multi facility/room use discount**

Where a group or organisation requires to let more than 3 rooms or facilities in a single establishment they may be eligible for a multi use discount, this will be agreed in discussion with the local Community Access to Schools Coordinator.

This may also apply if groups or organisations require to use facilities for extended periods of time.

## COMMUNITY ACCESS TO SCHOOLS

## PROPOSED SCALE OF CHARGES FOR PARTICIPATION IN ADULT EDUCATION PROGRAMMES

<b>STANDARD FEE</b>	<b>£60.00</b>
<b>REDUCED FEE</b>	<b>£30.00</b>
<b>CONCESSIONARY FEE</b>	<b>£15.00</b>

**Notes:**

1. **The Reduced fee applies as follows**
  - **16 and 17 year olds in employment or at school; full time students; people over 60, retired and not in employment; people in receipt of Disability Allowance, PIP or Carer's Allowance**
2. The Concessionary rate applies to those in receipt of any of the following means tested benefits;
  - Council Tax Reduction Scheme
  - Employment Support Allowance
  - Housing Benefit
  - Incapacity Benefit
  - Income Based Jobseekers Allowance
  - Income Support
  - NASS Support
  - Pension Credit
  - Universal Credit
  - Working Tax Credit

N.B. Proof of entitlement for the Half Fee or Concessionary Fee must be provided prior to commencement of a course.

## Fees

- Fees include an administration element of £10.00
- Classes of different length are charged pro-rata to the standard 20hour class
- 14 and 18 week classes include an administration element of £15.00
- High resource classes (i.e. those requiring additional resources compared to a standard class e.g. Life drawing, silver jewellery, pottery ) will incur additional costs.
- Weekend classes have two fees – Full and Reduced
- Some courses *do not* qualify for reduced fees or concessionary fees e.g. Golf at Dalmahoy



## ERIA Summary Report for Council Decision Makers



**What report / CMT meeting / Committee / meeting date does this ERIA information relate to:**

**Review of Community Access to Schools (CATS)  
Education Children and Families Committee, 20 May 2014**

**What are the main impacts on equality?**

The review of CATS aims to introduce a new management and staffing structure that will ensure a more equitable service across Edinburgh, ensuring pockets of groups and communities sharing protected characteristics or experiencing socio economic deprivation or health inequality have increased opportunities to access school based provision. Currently a range of charges, including concessionary fees are available to participants in school based programmes and will continue. Where possible, community access to facilities programmes and other opportunities available in the city's schools to individuals and groups will be enhanced. CATS strives to achieve a balance between contributing to meet educational, social and recreational needs of local communities and citywide.

It is envisaged there will be no negative impact on staff or any group or individual detailed in the Equality Act of 2010 or those impacted upon by socio economic deprivation or health inequality. Those who wish to utilise school facilities or engage in programmes and activities offered within schools, to pursue their educational or recreational interests, or achieve their goals will be supported to do so through the opportunities available through Community Access to Schools.

**What are the main impacts on rights?**

The review of CATS does not infringe any rights. A range of processes have/are being developed and implemented to inform and consult with a range of groups in relation to the review of CATS and what it aims to achieve, supporting people's right to be heard.

**What are the main ERIA recommendations?**

- To systematically monitor participation in school based community provision by the protected characteristics and report to the Children and Families Monitoring Group.
- Include details of how the citywide annual adult education programme is advancing equalities and meeting the other public sector duties in the annual adult education evaluation report.
- Incorporate the 3 public sector duties in the Equalities Act 2010 into a revised policy for letting and use of school premises .

**Further Information (name / position / contact details):**

David Bruce  
Senior Education Manager  
Level 1/1 Waverley Court  
4 East Market Street  
EH8 8BG  
Tel: 0131 469 3975  
[david.bruce2@edinburgh.gov.uk](mailto:david.bruce2@edinburgh.gov.uk)

# Finance and Resources Committee

10.00am, Tuesday, 3 February 2015

## Property Conservation – Programme Momentum Progress Report

Item number	7.18
Report number	
Executive/routine	
Wards	

### Executive summary

This report provides Committee with a progress update for Programme Momentum

### Links

Coalition pledges	<a href="#">P40</a> , <a href="#">P41</a>
Council outcomes	<a href="#">CO7</a> , <a href="#">CO19</a>
Single Outcome Agreement	<a href="#">SO4</a>

## Property Conservation – Programme Momentum Progress Report

### Recommendations

---

- 1.1 Committee is requested:
  - 1.1.1 To note the management information dashboard reports in Appendix 1.
  - 1.1.2 To note that the current powers of delegation expire on 31 March 2015 and to approve an extension of the current delegate authority arrangements until 31 December 2015.
  - 1.1.3 To note the update on the new enforcement service.

### Background

---

- 2.1 Programme Momentum has been established as a robust end-to-end process across all workstreams relating to the legacy Statutory Notice issues, including the development of the blueprint for the new enforcement service.

### Main report

---

#### Management information

- 3.1 Management Information dashboards for December are attached in Appendix 1.

#### Delegated Authority

- 3.2 At its meeting on 5 June 2014 the Finance and Resources Committee approved the following arrangements for delegated authority powers to the Director of Corporate Governance in relation to statutory repairs to write off sums and to approve and pay any settlement by way of compensation, refund and/or write-off sums or otherwise, subject to the following limits:-
  - a) The aggregate amount written off and/or paid shall not exceed the amount of the Council's bad debt provision in respect of statutory notice work;
  - b) Any write off of unbilled sums by the Director of Corporate Governance shall not exceed £100,000 per project;
  - c) Any proposed settlement by the Director of Corporate Governance shall not exceed a value of £100,000 per owner; and
  - d) The delegated authority shall expire on 31 March 2015 unless earlier renewed by the Finance and Resources Committee.

3.3 In order to continue with the legacy service progress and the resolution of cases it is recommended that Committee agrees to extend the existing delegated authority arrangements above until 31 December 2015.

3.4

#### New Service

3.5 Work is progressing with the implementation plan for the new expanded Shared Repairs Service. Detailed plans are in development for the seven main workstreams below:

- Governance and Performance
- Communications
- Recruitment and Training
- ICT
- Processes and procedures
- Accommodation
- Finance and Procurement

3.6 As previously reported to Committee, a procurement exercise is underway to secure consultancy support. Tenders were returned on 15 January 2015 and Committee will be advised in due course when the contract has been awarded. This will provide the implementation team with additional support, particularly with regard to the design of technical operating processes and procedures. A broader procurement plan is also in the early stages of development to ensure that a suitable framework or other contract is in place to secure sufficient skilled contractor capacity for enforced projects.

3.7 Work is underway to review the financial processes and policies of the existing Shared Repairs Service and ensure that they integrate appropriately with the plans for the new expanded service. In tandem with this, officers are developing new processes and systems to support the charging strategy approved by Council on 11 December 2014.

3.8 Recruitment continues on a phased basis in line with the business plan. A number of posts will be advertised in the coming weeks, including senior management roles, case officers and surveying posts. There are still concerns regarding our ability to attract suitability skilled staff to fill technical posts and this is one of the major risks to the implementation plan. Consideration is now being given to the co-sourcing model which may need to be introduced in the event that it is not possible to recruit suitable numbers of appropriately skilled in-house staff.

## **Measures of success**

---

4.1 Conclusion of reviewing statutory notice projects.

4.2 Billing and collection of outstanding debt.

- 4.3 Resolution of complaints.
- 4.4 Launch of new replacement enforcement service.

## Financial impact

---

- 5.1 Significant financial issues with a collective value of approaching £30million require to be concluded and resolved.

## Risk, policy, compliance and governance impact

---

- 6.1 This area of work represents a significant financial and reputational risk for the Council.

## Equalities impact

---

- 7.1 There is no equalities impact arising from this report.

## Sustainability impact

---

- 8.1 There is no adverse environmental impact arising from this report.

## Consultation and engagement

---

- 9.1 Not applicable.

## Background reading/external references

---

- 10.1 None.

### **Alastair Maclean**

Director of Corporate Governance

Contact: Jim McIntyre, Programme Director

E-mail: [jim.mcintyre@edinburgh.gov.uk](mailto:jim.mcintyre@edinburgh.gov.uk) | Tel: 0131 529 4911

## Links

---

<b>Coalition pledges</b>	P40 – Work with Edinburgh World Heritage Trust and other stakeholders to conserve the city’s built heritage
--------------------------	---

	P41 – Take firm action to resolve issues surrounding the Council's Property Services
<b>Council outcomes</b>	CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm
<b>Single Outcome Agreement</b>	SO4 – Edinburgh's communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1: Management Information Dashboards



# Programme Momentum Dashboard December

## 2014

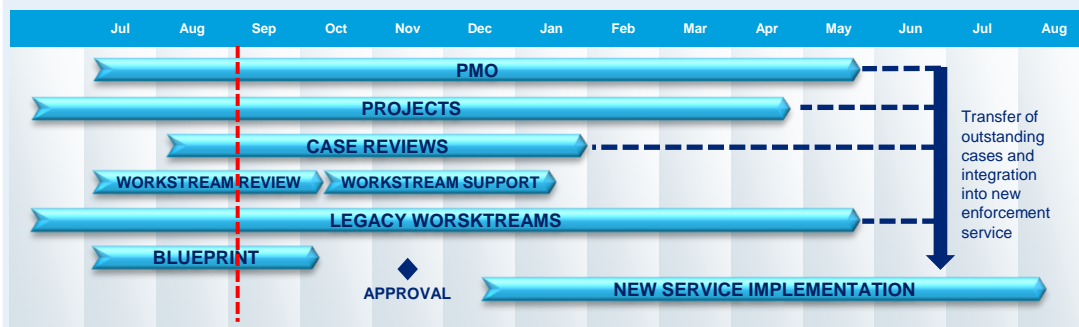
Monthly progress update (for reporting purposes month end is 25 December)



### OVERVIEW OF PROGRESS

Programme Momentum is entering week 24 (at the time of writing) and work completed to date includes the set up of the programme management office and new governance arrangements. The policies and procedures for the complaints cases are in place and the case review work continues. The new service report was submitted to full Council on 11 December 2014 and agreed subject to budget approval. This will be considered at the Council budget meeting on 12 February 2015. The programme is currently on schedule and key risks and issues are being managed via the programme office and board.

### TIMESCALES



TOP RISKS	MITIGATION	RAG
1. Financial / IT Systems	Limited data within finance systems complicate reporting. Ongoing efforts to improve system reporting	Red
2. Recruitment	Ensure job descriptions and advertising strategy attract high calibre staff.	Red
3. Bad Debt Provision	Continue to monitor and revise as required	Red
4. Complaints Resolution and Settlements	Settlement process underway but reputational, resourcing and financial risk remains high	Red
5. Legacy & New Service Budget	Continue to monitor legacy spend and agree new service budget	Red

OVERALL STATUS	RAG	COMMENTS
CUSTOMER SERVICES		Web pages now published online. Cross team sessions started to share best practice and ensure consistency in responses
FINANCE		Financial reporting is consistent but limited data within systems complicates reporting. Discussions underway in respect of improved debt management.
PROJECTS		Additional assessment of long-term work-plan ongoing. Possible winter weather disruption.
LEGAL		Steady increase in the number of cases requiring legal action.
CASE REVIEW & SETTLEMENTS		Momentum cases scheduled for completion end of Jan with additional cases considered thereafter. Settlement process implemented
SHARED REPAIRS SERVICE		SRS activities are well managed and there are no key risks or issues
NEW SERVICE		As per final dashboard

### INFORMATION / DECISIONS

1. Ongoing approvals of irrecoverable WIP and settlements
2. Settlement Process & resourcing
3. Council Budget meeting 12/02/15 - agree budget for the implementation and operation of the service.
4. Establish best process for recruitment of staff for new service to ensure suitable calibre.

### KEY PLANNED ACTIVITIES

1. Implementation Team - shortlist, interview & appoint
2. Service Review - consultation period closes, update JD's
3. Develop technology specification - 4 sessions planned
4. Policy development - review requirements for service.





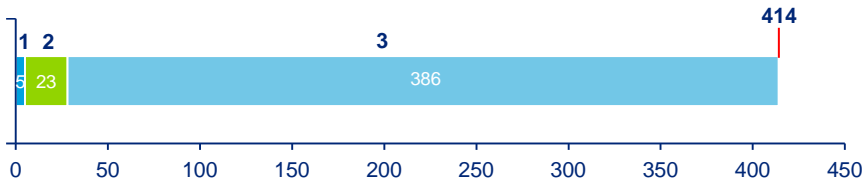
# Case reviews

Programme dashboard as at 25 December 2014

## Progress

In the reporting period, the new settlement process has been implemented with Deloitte having handed over to CEC staff who now manage the end to end process. The pipeline of complaints cases is moving forward, however the team are continuing to work through the 'bottle neck' of settlement letters which require to be issued following approval of the project settlement costs at the panel. This is due in the main to the complex and numerous financial checks which require to be completed before any settlement is made. In terms of the conclusion of case reviews,

## Joule Reviews (unbilled projects)



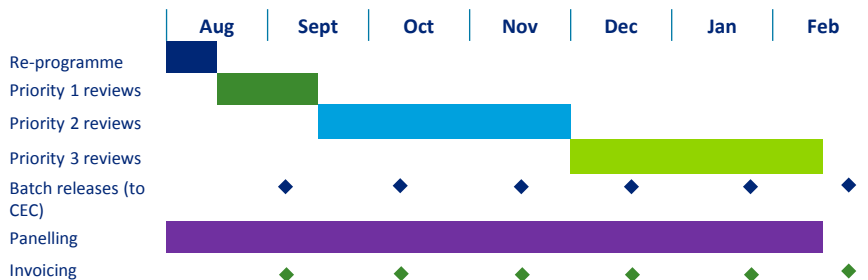
### Stage

- 1 = Projects with missing critical information
- 2 = QA and panel stage
- 3 = Released for further action or billing

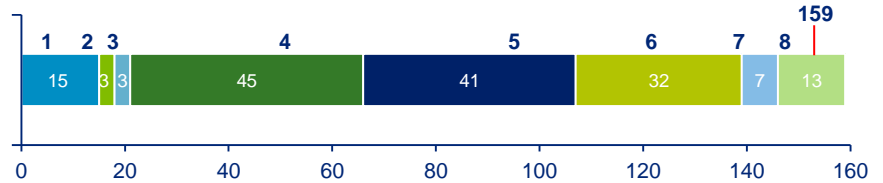
## Metrics

Value released 386 projects	Recommended Recovery 386 projects	Recommended Non-recovery 386 projects	Total Invoiced	Total Recovered
£15.37m	£11.69m	£3.67m	£8.9m	£4.4m

## Review Schedule (all remaining unbilled projects)



## Complex Complaints Case Reviews



### Stage (Projects)

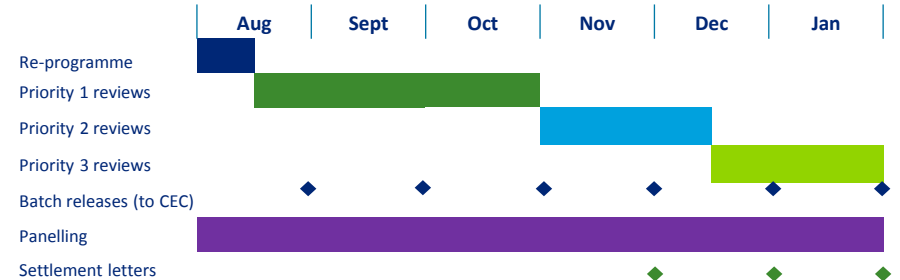
- 1 = Review Feb onwards - New cases
- 2 = Review ongoing - Internal review
- 3 = Review ongoing - Project Joule
- 4 = Review ongoing - Momentum cases
- 5 = Case review complete awaiting panel
- 6 = Panelled awaiting settlement letter
- 7 = Settlement offer issued
- 8 = Case closed

## Metrics

£ Settlements Approved at Panel (excl. unbilled)	No. Individual Offers (issued to date, Excl Joule)	£ Individual Offers (issued to date)	No. Individual Declines (issued to date)	No. Individual Settlements (accepted to date)	£ Individual Settlements (issued to date)
£538k	11*	£65k*	02*	06*	£21k*

\*figures updated from previous month to remove duplicate cases which are joule unbilled

## Review Schedule (original 102 Deferred cases only)







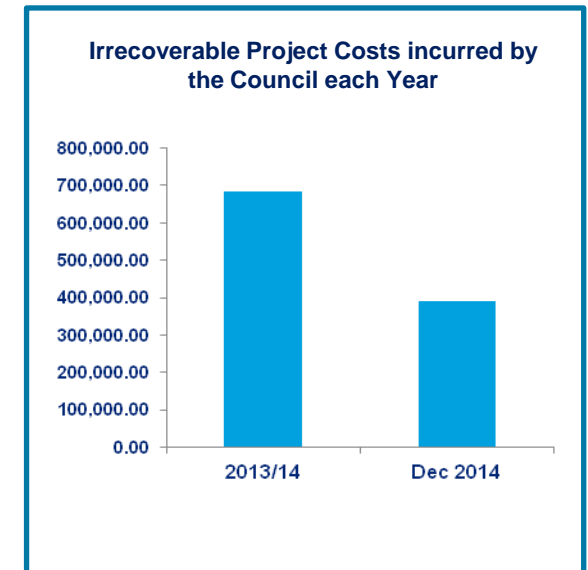
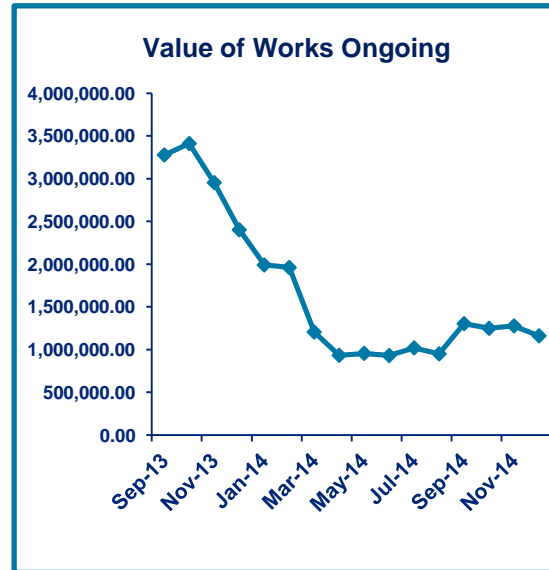
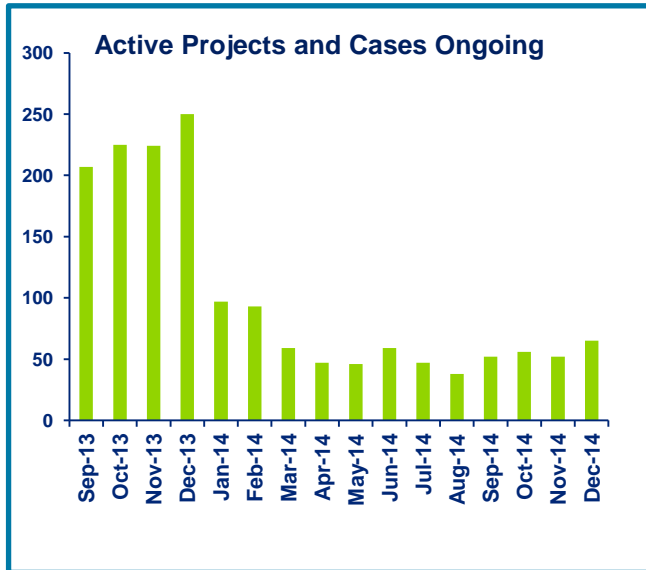
# Projects

Programme dashboard as at 25 December 2014



## Progress

Thomson Bethune continue to provide technical support to the programme and the delivery of ongoing projects and defects works arising from the case reviews. Surveying recruitment is underway for the new service and interviews planned.



## Breakdown of projects and cases ongoing during December 2014:

Category	Description	Qty
Legacy Projects	Largely recoverable	14
Defect Projects	Equal mix of recoverable and irrecoverable	22
Site Inspections	Mostly from case reviews to confirm completion of works	10
Consultant Requests	Require consultant action to conclude	8
Claims	Defending ongoing contractor/consultant claims	7
Legal Support	In relation to debt/litigation	3
Service Support	FOI and other general technical support	0
<b>Total</b>		<b>64</b>

- There are currently 64 active projects and cases ongoing with a works value of £1.16M.
- Cases currently being processed by Deloitte are estimated to result in 33 projects resulting in site works being required.
- 35 project requiring site works are estimated to come out of cases with historic suspended accounts.



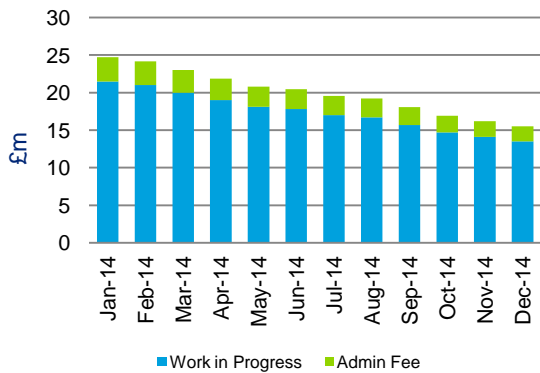
# Finance

Programme dashboard as at 25 December 2014

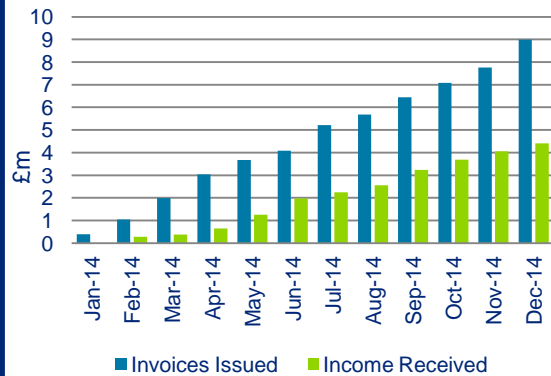
## Progress

- An exercise has been completed reviewing outstanding debt. All projects >£5k are now being pursued
- An exercise has been completed to reconcile the non recoverable totals.
- An exercise has commenced reviewing and recording the WIP figure

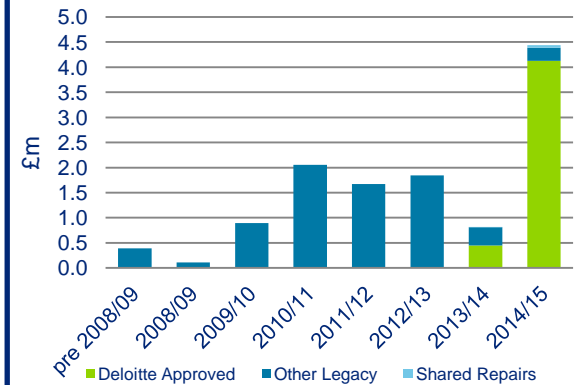
### Work in Progress



### Cumulative analysis of Deloitte approved stat repair debt (billed 01 Jan 14 – 25 Dec 14)



### Aged debt as at 24 Dec 14 - by year



### 14/15 Budget Requirements

Summary	FY Revenue Budget	FY Forecast	FY Variance
Closure Programme & Defect Remedy Costs	£0	£3,817,507	£3,817,507
New Enforcement Service	£0	£1,026,837	£1,026,837
Shared Repairs Service	£-6,979	£461,024	£468,003
<b>TOTAL</b>	<b>-£6,979</b>	<b>£5,305,368</b>	<b>£5,312,348</b>

### Aged debt as at 25 Dec 14 - by type

Status	Deloitte Reviewed	Other Legacy	Shared Repairs	TOTAL
On hold	£660,242	£322,476	£4,054	£986,772
Active	£2,536,621	£586,065	£23,078	£3,145,764
Suspended	£1,134,445	£5,085,270	£9,932	£6,229,647
Potential Legal Action	£243,682	£1,592,326	£12,234	£1,848,242
<b>TOTAL</b>	<b>£4,574,990</b>	<b>£7,586,137</b>	<b>£49,298</b>	<b>£12,210,425</b>



# Shared repairs

Programme dashboard as at 25 December 2014

SHARED REPAIRS KPI	Oct14	Nov 14	Dec 14	Trend
No of requests for advice/ info only.	484	546	297	↓
No. of service requests	66	84	72	↓
No of emergency repair inspections resulting in statutory notices issued	50	58	50	↓
No. of Emergency service requests where information /advice was provided	16	26	22	↓
Value of invoices issued to owners for emergency repairs (cumulative)	£207,913	£234,259.	£246,167	↑
Value of income received from owners for emergency repairs (cumulative)	£145,841	£174,172	£198,110	↑

## Progress

- December shows a substantial reduction in all areas of the service which is to be expected at this time of year due to the festive period.
- The mild weather has also been a contributory factor.
- 79% of service requests were related to blocked drains with 14% related to roof and masonry issues. 7% related to miscellaneous issues

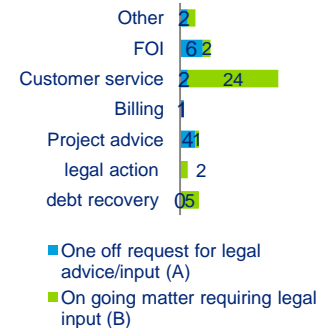


# Legal

Programme dashboard as at 25 December 2014

Legal Cases	Oct 14	Nov 14	Dec14
Total number of ongoing cases at month end	55	69	90
Debt pursued by Council - Action not raised or raised and undefended	40	70	70
Debt pursued by Council – Action raised against and defended by debtor	15	19	18
Claims raised against the Council	0	0	2
Total no of cases resolved during month	13	8	7
Resolved by the Council of which (x) were settled out of court	6 (6)	7 (1)	5 (4)
Resolved against the Council of which (x) were settled out of court	1 (1)	0	0
Not pursued - ie owner sequestered, gone away etc	6	1	2

## Legal Workload Dec 14



## Planned Activities

- Note on Contract Administrators re liability.
- Provide advice re FOI and enquiry responses.
- Ongoing preparation for and attendance at deferred settlement panels.
- Attendance at Project/Legal meetings
- Note on possible insurance claims.

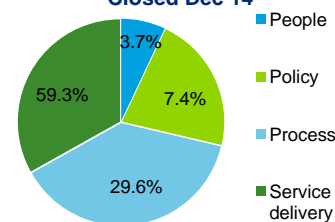


# Customer services

Programme dashboard as at 25 December 2014

CUSTOMER SERVICES KPI	Oct 14	Nov 14	Dec 14
No. of customer enquiries received	937	1010	688
No. of customer enquiries closed	1233	1017	652
No. of customer complaints received	15	19	29
No. of customer complaints closed	19	10	28
No of FOIs received	21	21	16
No. of FOIs closed	15	17	15

## Types of complaints Closed Dec 14



## Progress

Customer Services continue the effort to close down existing enquiries/complaints within agreed timescales and achieve consistent performance. As expected we are seeing an increase in volume and complexity of complaints due to increased volumes of invoices being issued.



# New Service

Programme dashboard as at 25 December 2014

## OVERVIEW OF PROGRESS

The New Service Blueprint, Cost Model and Implementation Plan were approved for implementation at Full Council on the 11<sup>th</sup> of December 2014 after being referred from the November Finance and Resources Committee. The new service has been approved subject to budget being identified as part of the February 2015 Council budget setting process. There are a number of implementation activities which have already begun and a number of planned activities which will now commence at risk, up to a value of £500,000. This is essential in order to achieve a launch date in the second quarter of 2015/16.

### TIMESCALES



OVERALL STATUS	RAG	COMMENTS
Governance & Performance	Yellow	Preparing terms of Reference for enhanced Governance Structure for Board in January 2014.
Communications	Yellow	Current communication activity complete until March 2015 when preparation of launch will activity will begin.
Recruitment & Training	Red	There are some challenges in relation to the recruitment of technical posts – co-sourcing may still prove necessary to achieve the appropriate level of expertise.
IT	Yellow	4 sessions are planned to develop the IT specification so that the service receives the best fit ICT systems that are also inline with Corporate Council ICT developments.
Processes & Procedures	Yellow	Reviewed processes to analysis where policy needs to be developed.
Accommodation	Yellow	Legacy and New Service requirements are currently under review to allow a clear picture of accommodation needs to be developed.
Finance & Procurement	Yellow	A brief has been developed for Procurement considering possible options for the procurement of contractors. Budget will be agreed during Full Council Budget setting in Feb 2015.

TOP RISKS	MITIGATION	RAG
1. Recruitment	Programme Board is working with People and Development to achieve the required structure and grading.	Red
2. Budget	Full Council to take budget decision in Feb 2015, approved £500k project spend for this financial year.	Red
3. IT	Corporate ICT and Channel Shift Programme are identifying the services needs to specify a fit for purpose IT solution.	Red
4. Procurement	Development work to specify a new framework will begin in Jan 2015.	Red
5. Accommodation	Property Rationalisation Team to help forward plan for the service space requirements.	Yellow

### INFORMATION / DECISIONS

- Full Council 12/02/15** - to agree required budget for the implementation and operation of the service.

### KEY PLANNED ACTIVITIES

- Recruitment - shortlist, interview & appoint Building Surveyor's if suitable.
- Recruitment - advertise for 2 Case Officer's, MD and Deputy MD.
- Implementation Team - shortlist, interview & appoint
- Service Review - consultation period closes, update JD's
- Develop technology specification - 4 sessions planned
- Policy development - review requirements for service

# Finance and Resources Committee

10.00 a.m., Tuesday, 3 February 2015

## Summary Report on Property Transactions concluded under Delegated Authority

Item number	8.1
Report number	
Executive/routine	Routine
Wards	City-wide

### Executive summary

---

To advise the Committee of all lease agreements, etc concluded in terms of the Council's 'Scheme of Delegation to Chief Officials'.

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.

### Links

---

Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO7</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Summary Report on Property Transactions concluded under Delegated Authority

### Recommendations

---

- 1.1 The Committee is asked to note that the 65 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Chief Officials.'

### Background

---

- 2.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

### Main report

---

- 3.1 Appendix 1 provides details of 65 transactions completed under delegated authority since the last quarterly report. These transactions comprise 5 new leases, 48 event leases, 5 new licence for work leases, and 7 rent reviews.

### Measures of success

---

- 4.1 n/a

### Financial impact

---

- 5.1 There are no financial implications as a result of this report.

### Risk, policy, compliance and governance impact

---

- 6.1 There are no risk, policy, compliance or governance impacts as a result of this report.

### Equalities impact

---

- 7.1 Equalities and Rights Impact Assessments have been carried out on all of the enclosed transactions.

### Sustainability impact

---

8.1 There are no sustainability impacts as a result of this report.

## Consultation and engagement

---

9.1 n/a

## Background reading/external references

---

N/a

### John Bury

Acting Director of Services for Communities

Contact: Graham Tully, Acting Estates Services Manager

E-mail: [graham.tully@edinburgh.gov.uk](mailto:graham.tully@edinburgh.gov.uk) | Tel: 0131 529 5961

## Links

---

<b>Coalition pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning.
<b>Council outcomes</b>	CO7 - Edinburgh draws new investment in development and regeneration.
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's economy delivers increased investment, jobs, and opportunities for all.
<b>Appendices</b>	Appendix 1.

## APPENDIX 1

**NEW LEASES**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. 21249 JMcV	2 - Pentland Hills	Services for Communities – General Property	Area of ground in front of Visitor Centre at Harlaw Reservoir	Stephanie Taylor, Trading As Vanilla Pod	Catering Kiosk	<b>Old Rent:</b> n/a <b>New Rent:</b> £1,000 per annum <b>Lease Period:</b> 20 Jun 2014 – 19 Jun 2015 <b>Payable:</b> Quarterly, in advance
<input type="checkbox"/> ERIA received? <b>REMARKS: Administration fee of £250</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. 17594 ASM	7 –Sighthill / Gorgie	Services for Communities – Housing	Unit 12 Westside Plaza (Kiosk)	Mr Thomas Meek	Barber / Hairdresser	<b>Old Rent:</b> £11,000 per annum <b>New Rent:</b> £8,000 per annum <b>Lease Period:</b> 30 Oct 2014 -29 Oct 2018 <b>Payable:</b> Monthly, in advance
<input type="checkbox"/> ERIA received? <b>REMARKS: 4 year lease with a 4 month rent free period granted. The property has been vacant since 2011 with limited interest. Substantial fit-out works required. Previous rent set in 2006.</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. PEF01-U04 ASM	17 – Portobello / Craigmillar	Services for Communities – General Property	Block 3 Unit 1 Peffermill Industrial Estate	The Edinburgh Bakery Scotland Ltd	Manufacturer – Food Products	<b>Old Rent:</b> £12,000 per annum <b>New Rent:</b> £15,000 per annum <b>Lease Period:</b> 24 Nov 14 – 23 Nov 2019 <b>Payable:</b> Monthly in advance
<input type="checkbox"/> ERIA received? <b>REMARKS: 5 year lease with 6 month rent-free period granted. Vacant since May 2012 but the achieved rate (including incentives) is in line with the tone rate for the Estate. Previous rent set in 2007.</b>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. 17314/7 ASM	7 – Sighthill / Gorgie	Services for Communities – General Property	Unit 7 Broomhouse Workspace	Flavour Magic Ltd	Manufacturer – Food Products	<b>Old Rent:</b> £7,800 per annum <b>New Rent:</b> £8,500 per annum <b>Lease Period:</b> 24 Nov 2014 – 23 Nov 2017 <b>Payable:</b> Monthly in advance
<input type="checkbox"/> ERIA received? <b>REMARKS: 3 year lease with 3 month rent free period granted. Vacant since July 2014 with limited interest. Previous rent set in 2012.</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. ES779/13 ASM	17 – Portobello / Craigmillar	Services for Communities – General Property	29 Peffer Place	CEC (SfC) – Housing & Homelessness Section	Storage Warehouse	<b>Old Rent:</b> £16,668 per annum <b>New Rent:</b> £17,000 per annum <b>Lease Period:</b> 20 Nov 14 -19 Nov 2019 <b>Payable:</b> Quarterly in advance
<input type="checkbox"/> ERIA received? <b>REMARKS: 5 year lease with 6 month rent free period granted. Vacant since June 2014 with limited interest. Previous rent set in 2010.</b>						

## NEW LEASES – EVENTS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	The Meadows	Meadows Marathon	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £0 <b>Lease Period:</b> 2 Mar 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *One day charitable event. Administration fee of £50*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. 18801 JMcV	11 – City Centre	Common Good/ Services for Communities (Parks and Greenspace)	Princes Street Gardens West	NLS Outdoor Advertising	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £750 <b>Lease Period:</b> 4 – 25 Apr 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £100*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. 18801 JMcV	11 – City Centre	Common Good/ Services for Communities (Parks and Greenspace)	Princes Street Gardens West	The Easter Play	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £625 <b>Lease Period:</b> 18 – 19 Apr 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £50 Management fee of £62.50*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. 18801 JMcV	11 – City Centre	Common Good/ Services for Communities (Parks and Greenspace)	Princes Street Gardens West	Heart and Soul	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £1,250 <b>Lease Period:</b> 17 – 19 May 2014 <b>Payable:</b> In advance
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Administration fee of £100 Management fee of £125</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	The Meadows	Meadows Festival Funfair	Event	<b>Old Rent:</b> n/a <b>Rent:</b> £3,290 <b>Lease Period:</b> 2 – 8 Jun 2014 <b>Payable:</b> In advance
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Administration fee of £100 Management fee of £329</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	The Meadows	Meadows Festival	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £0 <b>Lease Period:</b> 6 – 8 Jun 2014 <b>Payable:</b> In advance
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Charitable Event. Administration fee of £50</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
12. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	The Meadows	Salomon City Trail	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £330 <b>Lease Period:</b> 4 – 5 Jun 2014 <b>Payable:</b> In advance
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Administration fee of £50</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. 18801 JMcV	11 – City Centre	Common Good/ Services for Communities (Parks and Greenspace)	Princes Street Gardens West	Victorian Carousel	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £8,140 <b>Lease Period:</b> 26 Jun – 31 Aug 2014 <b>Payable:</b> In advance
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Administration fee of £450 Management fee of £814</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. 15237 JMcV	15 – Southside/ Newington	Services for Communities (Parks and Greenspace)	Hill Place Gardens	Ten Hill Place Hotel Outdoor Area	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £2,000 <b>Lease Period:</b> 28 Jun – 26 Aug 2014 <b>Payable:</b> In advance
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Administration fee of £50</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
15. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	The Meadows	The Ladyboys of Bangkok	Event	<b>Old Rent:</b> n/a <b>Rent:</b> £14,000 <b>Lease Period:</b> 30 Jun – 26 Aug 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £450 Management fee of £1,400*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	The Meadows	Funfair at the Fringe Festival	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £6,580 <b>Lease Period:</b> 5 – 18 Aug 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £100 Management fee of £658*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	The Meadows	Fair and Ethical Trade on the Fringe	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £650 <b>Lease Period:</b> 15 – 25 Aug 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £50*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
18. 2084 JMcv	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenpace)	Bruntsfield Links	Edinburgh Golf – Golf in the Park	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £330 <b>Lease Period:</b> 23 Aug 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £50 Management fee of £33*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
19. 18801 JMcv	11 – City Centre	Common Good/ Services for Communities (Parks and Greenpace)	Princes Street Gardens West and Inverleith Park	Virgin Money Fireworks Concert	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £2,310 <b>Lease Period:</b> 27 Aug – 1 Sept 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £250 Management fee of £231*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20. 2084 JMcv	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenpace)	The Meadows	Virgin media Pop Up Stand	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £500 <b>Lease Period:</b> 1– 6 Sept 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £50*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
21. 18801 JMcV	11 – City Centre	Common Good/ Services for Communities (Parks and Greenpace)	Princes Street Gardens West	Oktoberfest	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £9,900 <b>Lease Period:</b> 28 Sept – 14 Oct 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £250 Management fee of £990*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
22. 18801 JMcV	11 – City Centre	Common Good/ Services for Communities (Parks and Greenpace)	Princes Street Gardens West	Race the Castles (Orienteering Event)	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £660 <b>Lease Period:</b> 11 Oct 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £50 Management fee of £65*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
23. 18801 JMcV	11 – City Centre	Common Good/ Services for Communities (Parks and Greenpace)	Princes Street Gardens West	Survival of the Fittest	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £3,960 <b>Lease Period:</b> 16 – 21 Oct 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Administration fee of £150 Management fee of £396*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
24. 20786 TS	13 – Leith	Services for Communities (Parks and Greenspace)	Leith Links	Mr Brian Graham Leith Rules Golf Society 5 Prospect Bank Cres. Edinburgh EH6 7NM	Leith Rules Golf	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 2 – 5 Jul 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
25. 20786 TS	13 – Leith	Services for Communities (Parks and Greenspace)	Leith Links	Mr William Keith Taylor 1 Niddrie Mains Road Edinburgh EH16 4BE	Leith Festival Funfair 2014	<b>Old Rent:</b> £1,820 <b>New Rent:</b> £1,820 <b>Lease Period:</b> 9 – 15 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual commercial event. Surveyor's Fee: £250 Parks Mgt Fee: £182</i>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
26. 20786 TS	13 – Leith	Services for Communities (Parks and Greenspace)	Leith Links	Mr Chris Purnell The Edinburgh Mela Unit 14 2 Easter Road Edinburgh EH7 5AN	Edinburgh MELA	<b>Old Rent:</b> £2,340 <b>New Rent:</b> £2,340 <b>Lease Period:</b> 25 Aug – 2 Sep 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: 250 Parks Mgt Fee: £234</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
27. 20873 TS	1 – Almond	Services for Communities (Parks and Greenspace)	Cramond Foreshore	Mr James Quinlan GSI Events EICA Ratho Newbridge Edinburgh EH28 8AA	One Big Weekend	<b>Old Rent:</b> £210 <b>New Rent:</b> £210 <b>Lease Period:</b> 3 Aug 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40 Parks Mgt Fee: £21</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
28. GypBr TS	4 – Forth	Services for Communities (Parks and Greenspace)	Gypsy Brae	Ms Amber Smart Big Cat Group Griffin House 18 -19 Ludgate Hill Birmingham B3 1DW	Holi One	<b>Old Rent:</b> £1,400 <b>New Rent:</b> £1,400 <b>Lease Period:</b> 5 – 6 Jul 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Music Festival Event. Surveyor's Fee: 250 Parks Mgt Fee: £140</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
29. WoLW TS	2 – Pentland  11 – City Centre  15 – Murrayfield	Services for Communities (Parks and Greenspace)	Water of Leith Walkway	Ms Lesley Christie Director - St Columba's Hospice Kirklands House Gogar Muir Road Edinburgh EH12 9BZ	St Columba's Hospice - A Walk to Remember	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 21 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
30. WoLW TS	2 – Pentland  11 – City Centre  15 – Murrayfield	Services for Communities (Parks and Greenspace)	Water of Leith Walkway	Mr Adam Juniper Action Challenge UK, United House, North Road London N7 9DP	British Gas Treks Britain	<b>Old Rent:</b> £52.50 <b>New Rent:</b> £52.50 <b>Lease Period:</b> 15 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40 Parks Mgt Fee: £5.25</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
31. 16110/4 TS	4 – Forth	Services for Communities (Parks and Greenspace)	Victoria Park	Mr Allan Prentice Prentice Events for SESTRANS, 7 Upper Kinnedar Gardens, Saline KY12 9TY	Two Capitals Bike Ride	<b>Old Rent:</b> £210 <b>New Rent:</b> £210 <b>Lease Period:</b> 8 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40 Parks Mgt Fee: £21</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
32. StMarg TS	6 – Corstorphine /Murrayfield	Services for Communities (Parks and Greenspace)	St Margaret's Park	Mr Forbes Howie 20 Castle Avenue Edinburgh EH12 7LA	Corstorphine Fair	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 6 – 7 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
33. Meadow TS	14 – Craigentiny/ Duddingston	Services for Communities (Parks and Greenspace)	Meadowfield Park	Mr Seamus Scanlon, Tournament Director, ReBoot Disc Golf 15/1 Market Place North Berwick EH39 4JF	Tour Scotland Disc Golf Series	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 17 – 24 May 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
34. Portobello TS	17 – Portobello /Craigmillar	Services for Communities (Parks and Greenspace)	Portobello Foreshore	Ms Liz Wilson Community Learning, Northfield Community Centre Edinburgh EH8 7PP	Here Comes the Summer	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 21 Jun 2014

ERIA received?

**REMARKS:** Annual charitable/fundraising event. Surveyor's Fee: £40

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
35. Inch TS	16 – Liberton /Gilmerton	Services for Communities (Parks and Greenspace)	Inch Park	Mr Fraser Moore Edinburgh Road Club, 1 Morham Gardens Edinburgh EH10 5GG	ERC Junior Cyclocross Race 2014	<b>Old Rent:</b> £140 <b>New Rent:</b> £140 <b>Lease Period:</b> 27 Sep 2014

ERIA received?

**REMARKS:** Annual charitable/fundraising event. Surveyor's Fee: £40 Parks Mgt Fee: £14

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
36. Cammo TS	1 – Almond	Services for Communities (Parks and Greenspace)	Cammo Estate	Mr Michael Graham Visible Fictions Theatre Company, Suite 325-327, 4th Floor 11 Bothwell Street Glasgow G2 6LY	The Spokesman	<b>Old Rent:</b> £105 <b>New Rent:</b> £105 <b>Lease Period:</b> 13 – 16 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Charitable/fundraising event. Surveyor's Fee: £40 Parks Mgt Fee: £10.50</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
37. 18348 TS	6 – Corstorphine /Murrayfield	Services for Communities (Parks and Greenspace)	Roseburn Park	Mrs Linda Lawson C & L Catering Services Ltd 25 Rigby Street Glasgow G32 6DS	One Direction Concert - Murrayfield Stadium	<b>Old Rent:</b> £610 <b>New Rent:</b> £610 <b>Lease Period:</b> 3 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Catering caravan during events at Murrayfield Stadium. Surveyor's Fee: £100</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
38. 20869 TS	17 – Portobello /Craigmillar	Services for Communities (Parks and Greenspace)	Brighton Park	PEDAL Portobello Transition Town Willowbank 13 Coillesdene Crescent Edinburgh EH15 2JH	Portobello Market	<b>Old Rent:</b> £210 per day <b>New Rent:</b> £210 per day <b>Lease Period:</b> 5 Apr 2014, and monthly thereafter to 28 Mar 2015
<input type="checkbox"/> ERIA received? <b>REMARKS: Monthly charitable/fundraising event. Surveyor's Fee: £40</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
39. 20785 TS	7 – Sighthill /Gorgie	Services for Communities (Parks and Greenspace)	Murieston Park	Mr Jim Young Gorgie Dalry Community Association c/o SMRC 232 Dalry Road Edinburgh EH11 2JG	Gorgie Dalry GALA Day	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 14 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS: Annual charitable/fundraising event. Surveyor's Fee: £40</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
40. 20790 TS	1 – Almond	Services for Communities (Parks and Greenspace)	Lauriston Castle	Mrs Susan Robertson Davidsons Mains Children GALA, 46 Silverknowes Terrace Edinburgh EH4 5HJ	Davidsons Mains Children's GALA	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 20 – 22 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
41. 03/P546F/1A TS	2 – Pentland	Services for Communities (Parks and Greenspace)	Pentland View Park	Ms Patricia Lumsden 375 Lanark Road West Currie EH14 5RS	Currie Fair 2014	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 6 Sept 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
42. 18245 TS	11 – City Centre  5 – Inverleith	Services for Communities (Parks and Greenspace)	Princes Street Gardens and Inverleith Park	Mr Tammo Schuelke Scottish Chamber Orchestra 4 Royal Terrace Edinburgh EH7 5AB	Virgin Money Fireworks Concert 2014	<b>Old Rent:</b> £2,310 (Princes Street Gardens) and £760 (Inverleith Park) <b>New Rent:</b> £2,310 (Princes Street Gardens) and £760 (Inverleith Park) <b>Lease Period:</b> 27 Aug – 1 Sept and 30 Aug – 1 Sept 2014 for Princes Street Gardens and Inverleith Park respectively
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable festival event. Surveyor's Fee: £250 Parks Mgt Fee: £231 (Princes Street Gardens) &amp; £72 (Inverleith Park)</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
43. 20780 TS	3 – Drum Brae/Gyle	Services for Communities (Parks and Greenspace)	Drumbrae Park	Mrs Karen Keil Clermiston & Drumbrae Children's Gala 87 Drumbrae South Edinburgh EH12 8TD	Clermiston & Drumbrae Children's Gala	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 31 May 2014 – 1 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
44. 7346 TS	1 – Almond	Services for Communities (Parks and Greenspace)	Allison Park, Kirkliston	Ms Gillian Dundas Kirkliston Children's Gala 28 Kirkliston Park Gardens Kirkliston Edinburgh EH29 9ET	Kirkliston Children's Gala 2014	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 13 – 15 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
45. 20786 TS	13 – Leith	Services for Communities (Parks and Greenspace)	Leith Links	Ms Mary Moriarty Leith Festival Gala Association 3 Wellington Place Edinburgh EH6 7EE	Leith Festival Gala Day	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 14 Jun 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
46. 18345 TS	5 – Inverleith	Services for Communities (Parks and Greenspace)	Inverleith Park	Ms Sue Hitchen The Media Company Publications 21 Royal Circus Edinburgh EH3 6TL	Foodies Festival 2014	<b>Old Rent:</b> £3,800 <b>New Rent:</b> £3,800 <b>Lease Period:</b> 4 –13 Aug 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual food festival event. Surveyor's Fee: £250 Parks Mgt Fee: £380</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
47. 12002/D2 TS	9 – Fountainbridge / Craiglockhart	Services for Communities (Parks and Greenspace)	Harrison Park	Ms Karen Gillies The Edinburgh Clinic 40 colinton Road Edinburgh EH10 5BT	Highland Gathering 2014	<b>Old Rent:</b> £210 <b>New Rent:</b> £210 <b>Lease Period:</b> 23 Aug 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £40 Parks Mgt Fee: £21</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
48. Porto TS	17 – Portobello /Craigmillar	Services for Communities (Parks and Greenspace)	Portobello Beach	Mr Martyne Johnstone Scottish Volleyball Association, 48 the Pleasance, 2nd Floor Edinburgh EH8 9TJ	CEV Continental Cup Round 2	<b>Old Rent:</b> £1 per annum <b>New Rent:</b> £1 per annum <b>Lease Period:</b> 17 – 22 Sept 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Sporting event Surveyor's Fee: £40</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
49. 18356 TS	11 – City Centre	Services for Communities (Parks and Greenspace)	Calton Hill	Karthik Sumbramanya Scottish Indian Arts Forum 23 Woodhall Millbrae Edinburgh EH14 5BH	Dusherra 2014	<b>Old Rent:</b> £960 <b>New Rent:</b> £960 <b>Lease Period:</b> 4 – 6 Oct 2014
<input type="checkbox"/> ERIA received? <b>REMARKS:</b> <i>Annual charitable/fundraising event. Surveyor's Fee: £100 Parks Mgt Fee: £96</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
50. 18345 TS	5 – Inverleith	Services for Communities (Parks and Greenspace)	Inverleith Park	Mr Terry Crossley 5 Vivian Terrace Edinburgh EH4 5AW	The Edinburgh Christmas Charity Festival 2014 (incl. Edinburgh Santa Toddle / Parade & Reindeer Pen)	<b>Old Rent:</b> £1,140 <b>New Rent:</b> £1,140 <b>Lease Period:</b> 5 – 7 Dec 2014

ERIA received?

**REMARKS:** *Annual charitable/fundraising event. Surveyor's Fee: £100 Parks Mgt Fee: £114*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
51. 2084 JMcV	10 – Meadows/ Morningside	Common Good/ Services for Communities (Parks and Greenspace)	Bruntsfield Links	Churches Community Event	Event	<b>Old Rent:</b> n/a <b>New Rent:</b> £0 <b>Lease Period:</b> 24 Aug 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *One day charitable event. Administration fee of £50*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
52. 36/S087/100 MS	15 – Portobello/ Craigmillar	Services for Communities (Common Good)	Former Council Depot 19 Stanley Street Edinburgh EH15 1JJ	James Strang Ltd 33 Winchester Avenue Denny FK6 6QD	Temporary storage for contractor's plant and fencing materials.	<b>Old Rent:</b> n/a <b>New Rent:</b> £200 per week <b>Lease Period:</b> Weekly <b>Payable:</b> Weekly in advance

ERIA received?

**REMARKS:** *Fencing contractor storing materials for constructing the site compound for new Portobello High School.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
53. 18801 JMcV	11 – City Centre	Services for Communities (Parks and Greenspace)	Princes Street Gardens	Johnnie Walker, Join the Pact, Hogmanay Festival	Formula 1 responsible drinking event	<b>Old Rent:</b> n/a <b>New Rent:</b> £2,000 <b>Lease Period:</b> 4 Dec 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Annual charitable/fundraising event. Surveyor's Fee: £150 Parks Mgt Fee: £0 Bond: £3,000*

**NEW LEASES – LICENCE FOR WORKS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
54. JMcv	9 - Fountainbridge /Craiglockhart	Services for Communities	Land to the Rear of 1 Slateford Road	AMA (Slateford) LTD and AMA Construction (Edinburgh) LTD	Licence for Works	<b>Old Rent:</b> n/a <b>New Rent:</b> £1 <b>Lease Period:</b> 14 Jul – 24 Aug 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Licence agreed in order to facilitate works to create a public footpath link from the development to the Caledonian Railway Footpath and landscaping over this area of land.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
55. 21243 JMcv	2 - Pentland Hills	Services for Communities	1 Baberton Loan, Juniper Green, Edinburgh EH14 5DF	Domenic Tedesco	Licence for Works	<b>Old Rent:</b> n/a <b>New Rent:</b> £250 per month <b>Lease Period:</b> 12 – 31 May 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Licence agreed to enable tree works affecting path on Water of Leith and for a further nine months (from a date to be confirmed) to cover access for building works.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
56. 21155 JMcV	9 - Fountainbridge /Craiglockhart	Services for Communities (Parks and Greenspace)	Harrison Park, West Bryson Road	Aitken Builders	Licence for Works	<b>Old Rent:</b> n/a <b>New Rent:</b> £0 <b>Lease Period:</b> 7 July – 21 Dec 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Licence agreed to facilitate safe access and enable the appropriate storage of materials, equipment and a skip in order to progress works to a local community organisation, the Merchiston Sports Club. Administration Fee of £250 paid.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
57. 21149 JMcV	15 – Portobello / Craigmillar	Services for Communities (Parks and Greenspace)	Part of Hunters Hall Park	Gibraltar General Partner Limited	Licence for Works	<b>Old Rent:</b> n/a <b>New Rent:</b> £0 <b>Lease Period:</b> 23 Jun – 14 Sept 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Access required to facilitate road widening works including boundary wall re- location on City of Edinburgh Council land at the Wisp.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
58. 21236 JMcV	4 – Forth	Services for Communities	Area of Land (Between Muirhouse Avenue and Muirhouse Way	The Yard Adventure Centre	Licence for Works to Create a Temporary Play Space	<b>Old Rent:</b> n/a <b>New Rent:</b> £0 <b>Lease Period:</b> 10 Jul – 12 Aug 2014 <b>Payable:</b> In advance

ERIA received?

**REMARKS:** *Licence required in order to access ground to provide a temporary play project at Muirhouse.*



**RENT REVIEWS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
59. High-U02 IL	11 – City Centre	Services for Communities – General Property	46 High Street, Edinburgh, EH1 1TB	The Gold Bros	Retail (Class 1)  Sale of woollens and related woven garments	<b>Old Rent:</b> £23,500 per annum <b>New Rent:</b> £37,440 per annum <b>From:</b> 1 Oct 2014 to 30 Sept 2019
<input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
60. 16496/16 IL	7 – Sighthill / Gorgie	Services for Communities – General Property	Unit 16 Sauchiebank, Russell Road Ind Est, Edinburgh, EH11 2NN	Door To Door Delivery.co.uk Limited	Office/Industrial/ Storage and Distribution (Class 4/5/6)  Storage and distribution of brochures and marketing material.	<b>Old Rent:</b> £19,800 per annum <b>New Rent:</b> £21,100 per annum <b>From:</b> 1 Dec 2014 to 1 Dec 2017
<input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
61. 6603 IL	11 – City Centre	Services for Communities - Housing and Revenue	307 Cowgate, Edinburgh, EH1 1NA	Mary Mulhern	Retail (Class 1)  Hair & Beauty Salon	<b>Old Rent:</b> £6,230 per annum <b>New Rent:</b> £6,800 per annum <b>From:</b> 16 Jan 2015 to 15 Jan 2020
<input checked="" type="checkbox"/> ERIA received?      REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
62. 8412 IL	9 – Fountainbridge / Craiglockhart	Services for Communities – General Property	111 – 113 Morrison Street, Edinburgh, EH3 8BX	Alina Zyblevaite	Retail (Class 1)  Hair & Beauty Salon	<b>Old Rent:</b> £9,000 per annum <b>New Rent:</b> £9,950 per annum <b>From:</b> 12 Sept 2014 to 12 Sept 2019
<input checked="" type="checkbox"/> ERIA received?      REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
63. 11568/2 IL	11 – City Centre	Services for Communities – Housing and Revenue	16 Canning Street Lane, Edinburgh, EH3 8ER	Telewest Communications (Scotland) Limited	Retail (Class 4)  Storage and use of telecoms equipment	<b>Old Rent:</b> £12,000 per annum <b>New Rent:</b> £13,500 per annum <b>From:</b> 17 Aug 2014 to 17 Aug 2019
<input checked="" type="checkbox"/> ERIA received?      REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
64. 6604 IL	11 – City Centre	Services for Communities Housing and Revenue	309 Cowgate, Edinburgh, EH1 1NA	Mary Mulhern	Retail (Class 1)  Hair salon and Beautician	<b>Old Rent:</b> £3,500 per annum <b>New Rent:</b> £4,660 per annum <b>From:</b> 1 Nov 2014 to 31 Oct 2019
<input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
65. 1423/9 IL	11 – City Centre	Services for Communities – General Property	39 Leith Street, Edinburgh, EH1 3AT	Brian Calder	Retail (Class 1)  Kilt Hire Shop	<b>Old Rent:</b> £7,700 per annum <b>New Rent:</b> £9,600 per annum <b>From:</b> 12 Nov 2014 to 11 Nov 2019
<input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b>						

# Finance and Resources Committee

10.00 a.m, Tuesday, 3 February 2015

## Sale of Cammo Home Farm Steading, 37 Cammo Road, Edinburgh

<b>Item number</b>	8.2
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	1 - Almond

### Executive summary

---

In August 2014, the Finance and Resources Committee approved the sale of Cammo Home Farm Steading to Kamran Akbar subject to agreement of an adjusted price to reflect fire damage to the steading. The Acting Director of Services for Communities was authorised to negotiate the price reduction in consultation with the Convenor and Vice-Convenor of Finance and Resources.

In discussion with the Convenor and Vice Convenor, given the extent of the price reduction requested by Mr Akbar and the changing circumstances relating to the steading, a further report was considered appropriate.

This report seeks authority to sell the steading to Mr Akbar at a reduced price of £627,000 (inclusive of legal and surveyors fees) strictly on the basis that Mr Akbar agrees to enter into a lease of the steading until the restoration of the listed building is completed, at which point, title to the steading would transfer to Mr Akbar.

In the event the sale to Mr Akbar does not proceed, approval is sought to submit an application for de-listing to Historic Scotland and to remarket the property for sale.

### Links

---

<b>Coalition pledges</b>	<a href="#">P40</a>
<b>Council outcomes</b>	<a href="#">CO9</a>
<b>Single Outcome Agreement</b>	<a href="#">SO4</a>

## Sale of Cammo Home Farm Steading, 37 Cammo Road, Edinburgh

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves the reduction in purchase price from £727,000 to £627,000 (both inclusive of legal and surveyors fees);
- 1.2 Agrees that it is an essential condition of the sale that the purchaser restores the listed building and, to that end, enters into a lease of the steading with an option to purchase once the restoration is completed;
- 1.3 Approves that the lease and sale be completed on the terms set out in the report and on such other terms to be agreed by the Director of Services for Communities and Head of Legal, Risk and Compliance; and
- 1.4 Agrees that, if the sale to Kamran Akbar does not proceed, an application for de-listing will be submitted to Historic Scotland and the property remarketed for sale.

### Background

---

- 2.1 Cammo Home Farm Steading, as shown outlined red on the attached plan, is a category C listed building which is in extremely poor condition and requires complete restoration.
- 2.2 Following marketing, the Finance and Resources Committee, in August 2014, approved the sale of the property subject to the following main terms:
  - Purchaser: Mr Kamran Akbar.
  - Price: £727,000 (inclusive of legal and surveyors fees).
  - Use: Restoration of the steading for a family home.
  - Conditionality: Unconditional except for good legal Title.
  - Timescales: Restoration works to be completed within one year of date of entry.
- 2.3 The Committee also authorised the Acting Director of Services for Communities in consultation with the Convenor and Vice-Convenor to negotiate an adjusted price following fire damage to the steading that occurred following the closing date.

- 2.5 Given the size of the price reduction sought by Mr Akbar and the change in circumstances relating to the property, a further report to Finance and Resources was considered to be appropriate.

## **Main report**

---

- 3.1 Following negotiations, provisional agreement has been reached with Mr Akbar that the purchase price be reduced by £100,000 which fairly reflects the additional cost of refurbishment works caused by the fire.
- 3.2 To ensure that Mr Akbar completes the restoration of the steading, it is proposed that the sale only proceeds on the basis that Mr Akbar initially enters into a temporary lease of the property, with the heritable interest only transferring once works are complete.
- 3.3 In the event that a sale to Mr Akbar as a restoring purchaser does not proceed, it is proposed to submit an application for de-listing to Historic Scotland. If this is successful, and consent for demolition obtained from the National Trust for Scotland, the property will be remarketed on this basis.
- 3.4 Since the fire and the carrying out of emergency stabilisation works, Historic Scotland has given an indication that, should an application for delisting be submitted, there would be a reasonable prospect that the listed status of the steading could be removed.

## **Measures of success**

---

- 4.1 A sale of the steading to Mr Akbar should secure the restoration of a listed building in need of significant upgrade to a family home. The Cammo Estate would receive funds from the sale to assist in the implementation of its Management Plan for the remainder of the Estate

## **Financial impact**

---

- 5.1 A capital receipt of approx £400,000 (following the deduction of legal and professional fees and the Court costs incurred by the Council for terminating an agricultural tenancy in 2007) secured in 2015/16. The net receipt will be reinvested in Cammo Estate in line with the decision of the Executive of the Council on 31 October 2006.

## **Risk, policy, compliance and governance impact**

---

- 6.1 Although the offer is unconditional except as to Title, there remains a risk that the sale will still not proceed. This would apply to any offer to purchase.
- 6.2 Whilst the Council has tried to secure a genuine restoring purchaser for the listed building, there will be a risk, that the restoration is not completed. This will be mitigated by granting a lease of the steading with an option to purchase on completion of the restoration and by requiring acceptable evidence of the necessary funding.

## Equalities impact

---

- 7.1 A successful restoration of the derelict listed building would enhance the rights to health and physical security by improving the site and the area for nearby residents.
- 7.2 There are repeated breaches of the building's security which could result in unauthorised access to the dangerous building. Renovation of the steading would remove this risk to the health and physical security of the intruders.
- 7.3 The purchaser wishes the steading for his family home which would enhance his right to individual, family and social life.
- 7.4 The requirement to enter into a lease with an option to purchase as opposed to a straight sale will have an impact on the purchaser's right to legal security however, if he is a genuine restoring purchaser, this impact will be minimal and is held to be proportionate given the wider best value issue for the Council.

## Sustainability impact

---

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below:
  - The proposals in this report will increase carbon emissions because a currently vacant building will be brought back into use and this impact will be addressed by the need for the restoration plans to comply with planning and listed building consents and building control regulations. Reusing an existing building rather than utilising new build will help mitigate the impact.
  - The need to build resilience to climate change impacts is not relevant to the proposals in this report because it relates to the reuse of an existing building.
  - The proposals in this report will help achieve a sustainable Edinburgh because local interested parties and the community council are some of the main drivers behind the desire to see the restoration of this listed building to enhance the local area. Reuse of this building to provide a dwelling house in the place of a derelict building will benefit the local community.

## Consultation and engagement

---

- 9.1 The Cammo Advisory Committee has been consulted throughout the current and previous sales processes.
- 9.2 The community council and other interested parties were fully involved in the planning process including the appeal held by Scottish Ministers. Members of the community council have also received regular updates throughout the marketing period.

## Background reading/external references

---

Report to Finance and Resources Committee on 28 August 2014 – Sale of Cammo Home farm Steading, 37 Cammo Road, Edinburgh.

Report to Finance and Resources Committee on 17 January 2012 – Disposal of Property at Cammo Home farm Steading, 37 Cammo Road, Edinburgh.

Report to Finance and Resources Committee on 27 January 2009 – Disposal of Property at Cammo Home farm Steading, 37 Cammo Road, Edinburgh.

Report to Executive of the Council on 31 October 2006 – Surrender of Agricultural Tenancy.

### John Bury

Acting Director of Services for Communities

Contact: Lesley Turner, Senior Estates Surveyor

E-mail: [lesley.turner@edinburgh.gov.uk](mailto:lesley.turner@edinburgh.gov.uk) | Tel: 0131 529 5954

## Links

---

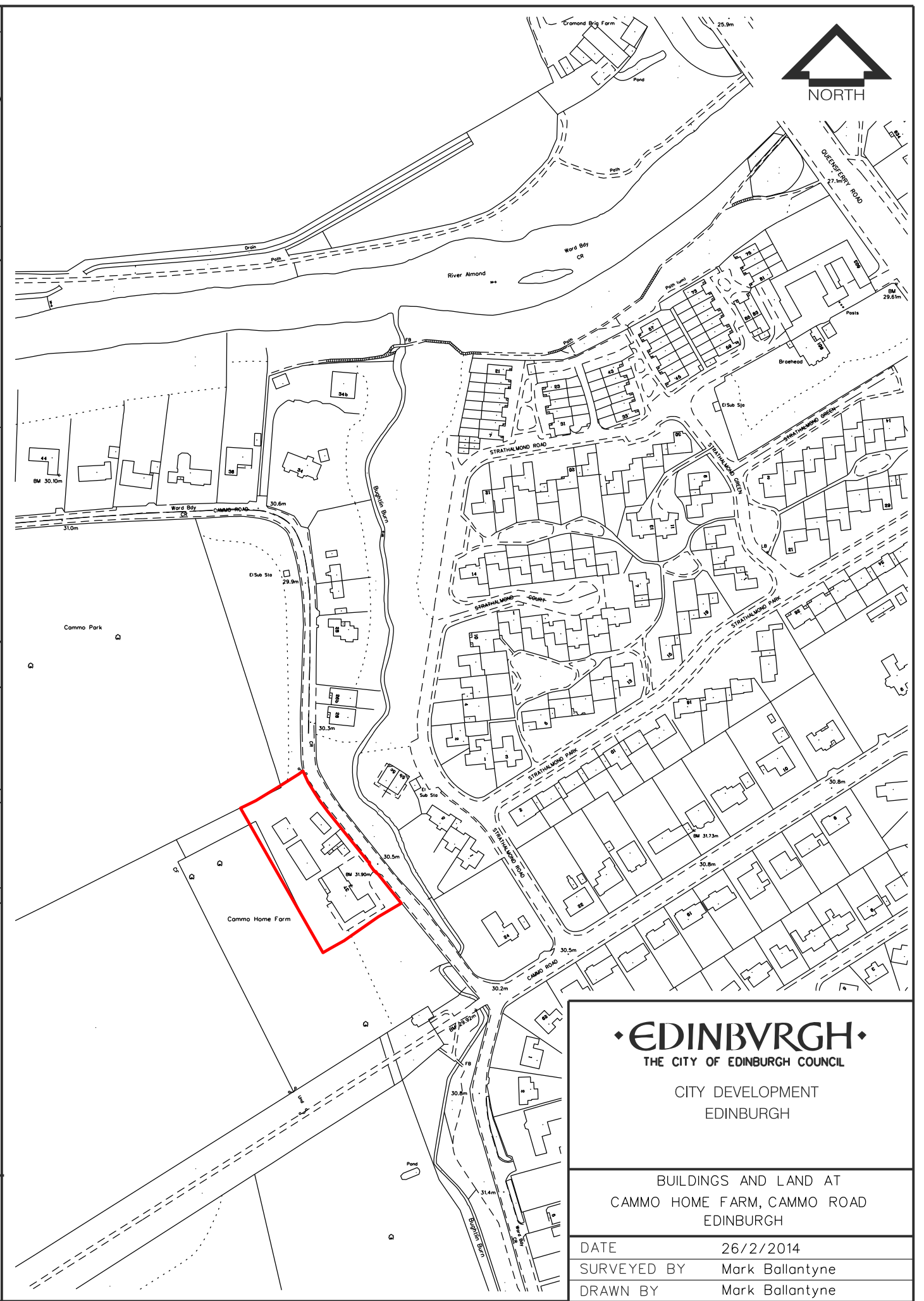
<b>Coalition pledges</b>	P40 – Work with Edinburgh World Heritage Trust and other stakeholders to conserve the city’s built heritage.
<b>Council outcomes</b>	CO9 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and placed and the delivery of high standards and maintenance of infrastructure and public realm.
<b>Single Outcome Agreement</b>	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
<b>Appendices</b>	Location plan.





AREA SHOWN OUTLINED RED - 0.361 ha (0.89 acres)

SITE PLAN SCALE 1:500



LOCATION PLAN SCALE 1:2500

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
CITY DEVELOPMENT EDINBURGH	
BUILDINGS AND LAND AT CAMMO HOME FARM, CAMMO ROAD EDINBURGH	
DATE	26/2/2014
SURVEYED BY	Mark Ballantyne
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1042 A

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2008 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.

# Finance and Resources Committee

10.00 a.m, Tuesday, 3 February 2015

## Proposed lease extension at Mary King's Close, City Chambers

Item number	8.3
Report number	
Executive/routine	Routine
Wards	City Centre

### Executive summary

---

The Council leases part of the City Chambers to Continuum Group for use as the Mary King's Close visitor attraction. Due to the success of the attraction, Continuum now wishes to expand and has approached the Council requesting to lease additional space within the Chambers and other amendments to its lease. This report seeks Committee authority to approve the provisionally agreed terms.

### Links

---

Coalition pledges	<a href="#">P15</a> , <a href="#">P31</a>
Council outcomes	<a href="#">CO7</a> , <a href="#">CO20</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed lease extension at Mary King's Close, City Chambers

### Recommendations

---

It is recommended that Committee:-

- 1.1 Approves a 25 year lease extension and revised leased area at the City Chambers to the Continuum Group on the terms outlined in the report and on the other terms and conditions to be agreed by the Director of Services for Communities and Head of Legal, Risk and Compliance.

### Background

---

- 2.1 In 2003, the Council granted The Continuum Group (CG) a 10 year lease of Mary King's Close to enable the creation of a world class, historically accurate visitor attraction. The attraction proved to be highly successful, and in 2010 terms, were agreed to expand the operation and extend the lease. The current main lease terms are as follows:
  - Term: 2003-2028, with a tenant only option to extend to 2033;
  - Rent: £50,000pa, plus 7.5% of annual gross turnover;
  - Property: Mary King's Close, which extends underneath City Chambers, additional basement space and an area of the ground floor of City Chambers shown hatched black on the attached plan at Appendix 1; and
  - Opening hours: A maximum of 13 hours per day, between 9am and 10pm, and until midnight during August.
- 2.2 The visitor attraction has continued to be highly successful with visitor numbers rising year on year. Consequently, CG has now requested an extension of the lease term and additional space within City Chambers in order to expand its retail and catering offer, improve the attraction's visibility on the High Street and improve staff welfare facilities.
- 2.3 CG intends to invest approximately £600,000 in upgrading the space, including the creation of a new entrance on to the High Street. Planning permission has been granted for the proposals and the Council's Building Programme Team is acting as project manager for the works.

## Main report

---

- 3.1 As with any leased property, the revised lease terms need to reflect the tenant's capital investment, which will both improve the visitor attraction and produce a future higher financial return to the Council.
- 3.2 The following terms have been provisionally agreed with CG:-
- |                  |  |
|------------------|--|
| Lease term:      | Extended from 2033 to 2058 (25 years extension);   |
| Rent:            | £50,000pa base rent, reviewed annually on RPI basis until 2028 plus;<br>4.5% gross turnover 2015-2020 then;<br>7.5% gross turnover 2020-2028; and<br>Rent review to market rent in 2028, and five yearly thereafter; |
| Additional Area: | As shown edged red on the attached plan at Appendix 1;<br>and  |
| Opening Hours:   | Restrictions are to be removed to enable Continuum Group to respond to demand, for example, opening later during school holidays.  |
- 3.2 The 3% reduction in turnover rent for the period 2015 – 2020 is to take account of a contribution to CG's investment in the physical fabric of the building.

## Measures of success

---

- 4.1 It is anticipated that the proposed improvements will enhance this popular visitor attraction. Also, as the proposal is expected to increase footfall and spend per customer, the Council is expected to benefit post-2020 through additional turnover rent.

## Financial impact

---

- 5.1 The current payment of a base rent of £50,000pa will remain the same (subject to an annual RPI increase). On the basis of the most recent turnover figures, the 3% reduction in turnover rent 2015 – 2020 would result in a £63,000pa turnover rent reduction, from £158,443 to £95,065 pa. However, the enhanced visitor space will result in additional spend, which the Council will benefit from through the turnover rent. Increased turnover has been forecast, which indicates that the drop in turnover rent for the period 1 April 2015 to 31 March 2020 is, on average, £43,000 per annum. In 2020, the turnover rent will revert to 7.5% and the Council will benefit from increased rental income in future years as a result of the improved visibility of the attraction and the enhanced retail and catering offer.

Based on the business plan forecast, the Council share of turnover rent would rise to £198,000 pa, at that time, plus the base rent.

- 5.2 There will be a rent review in 2028, five years earlier than would be possible in the existing lease.
- 5.3 Each party will pay their own legal and surveyors fees in relation to the transaction.

### **Risk, policy, compliance and governance impact**

---

- 6.1 There is a risk that the proposed improvements do not result in an increased turnover rent for the Council. However, Continuum Group has carried out market assessments prior to making this proposal which indicate that the changes will increase visitor numbers and spend.

### **Equalities impact**

---

- 7.1 An Equalities and Rights Impact Assessment has been carried out. The proposed scheme will have a positive impact on visitors' educational and learning experiences and the new shop and cafe will have full wheelchair accessibility. The tenant will continue to offer free entry to one-to-one carers accompanying visitors with disabilities.
- 7.2 The positive impact of improvement to staff welfare accommodation will enhance the staff's standard of life, health and physical security.
- 7.3 The existing negative impact on rights of accessibility to the underground Close will remain, due to the historical character of the building.
- 7.4 The proposal has a negative impact on the equality of opportunity as it excluded other operators from offering to lease the additional space identified in the City Chambers and the extension to the term restricts the rights of other operators to lease the property until 2058, but given the scale of investment, this was considered justified and proportional.

### **Sustainability impact**

---

- 8.1 The proposed capital works will take into account modern building standard regulations.

### **Consultation and engagement**

---

- 9.1 Local Members have been consulted on the proposals and no objections have been received. Planning permission has been granted for the proposed works.

### **Background reading/external references**

---

None.

## John Bury

Acting Director of Services for Communities

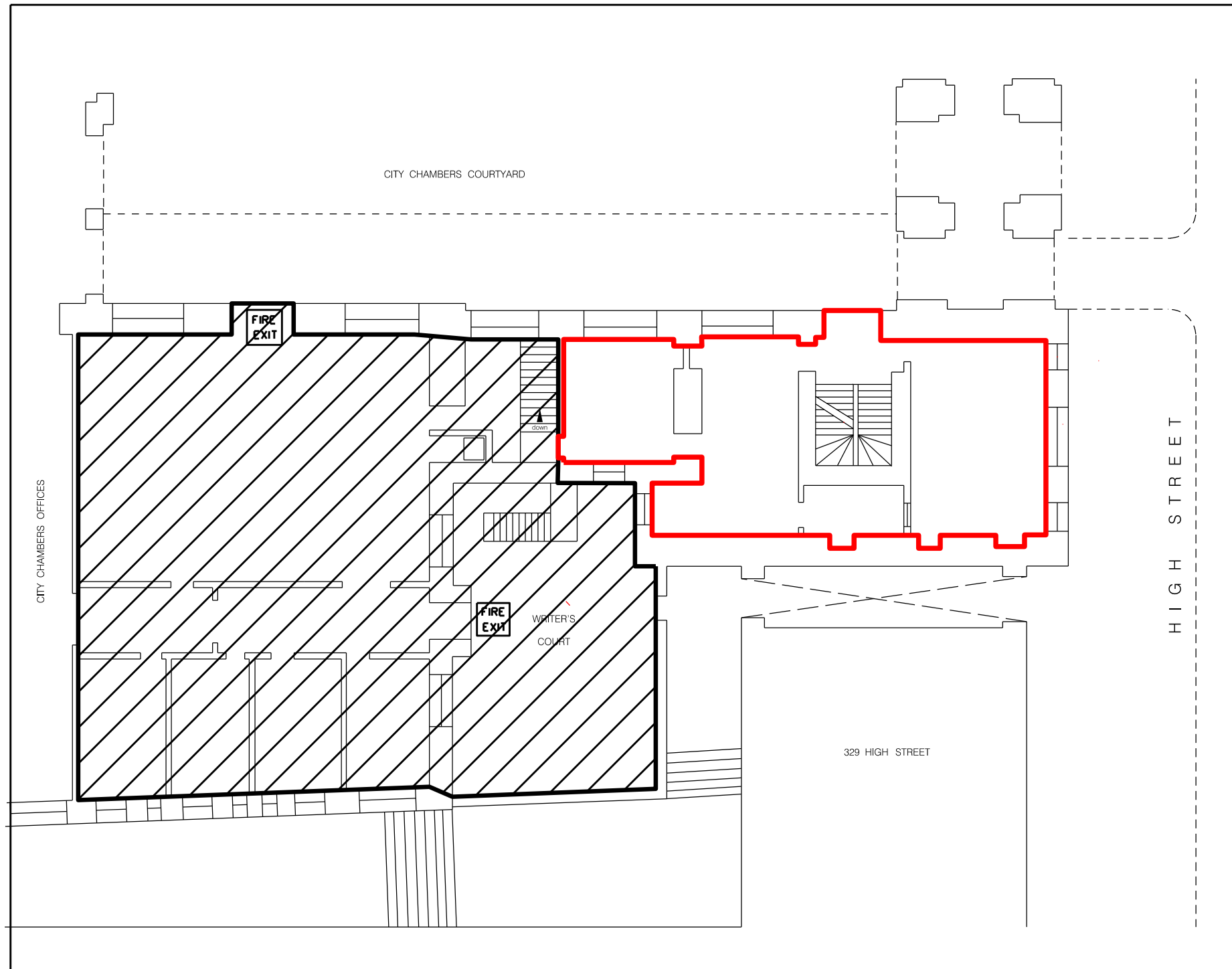
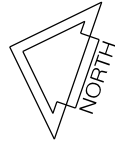
Contact: Katy Connolly, Estates Surveyor

E-mail: [katy.connolly@edinburgh.gov.uk](mailto:katy.connolly@edinburgh.gov.uk) | Tel: 0131 529 5932

## Links

---

<b>Coalition pledges</b>	P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. P31 - Maintain our City's reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure.
<b>Council outcomes</b>	CO7 - Edinburgh draws new investment in development and regeneration. CO20 - Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh's Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Plan.



LEVEL 5

SITE PLAN

SCALE 1:200

**• EDINBURGH •**  
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES  
EDINBURGH

ADDITIONAL LEASE SPACE AT  
MARY KING'S CLOSE  
EDINBURGH

DATE	27/11/14
SURVEYED BY	MB,NR
DRAWN BY	Mark ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1519

# Finance and Resources Committee

10.00 a.m, Tuesday, 3 February 2015

## Princes Street Gardens – National Galleries of Scotland Proposed Extension

<b>Item number</b>	8.4
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	Ward 11 – City Centre

### Executive summary

---

The National Galleries of Scotland (NGS) has approached the Council requesting to purchase a strip of land which forms part of Princes Street Gardens.

NGS intends to utilise the ground as part of a project to expand and improve the National Gallery. Works include the creation of circa 500 square metres of new gallery space, a new landscaped public pathway and terrace.

As with a previous extension of the Gallery into Princes Street Gardens, the land required is inalienable Common Good and is also protected by the City of Edinburgh District Council Order Confirmation Act 1991. A variation to the Act and appropriate consent to dispose of the Common Good land will be required to enable the land to be sold and built upon. It may be possible to deal with the Common Good issue as part of the variation to the Act, failing which, an application to the Court of Session will be required.

This report seeks approval to open negotiations with NGS for the sale of the land and to commence seeking the necessary consents to release the land for sale.

### Links

---

<b>Coalition pledges</b>	<a href="#">P31</a>
<b>Council outcomes</b>	<a href="#">CO19</a> , <a href="#">CO20</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1</a>



## Princes Street Gardens – National Galleries of Scotland Proposed Extension

### Recommendations

---

It is recommended that Committee:

- 1.1 Notes proposals by the National Galleries of Scotland (NGS) to extend the National Gallery;
- 1.2 Authorises the Director of Services for Communities to enter into negotiations with NGS for the sale of a strip of land at Princes Street Gardens;
- 1.1 Notes that submission of a private bill to the Scottish Parliament will be made to enable the release of the land for sale, and, if required, an application to the Court of Session; and
- 1.2 Notes that provisionally agreed terms for the proposed sale to NGS will be reported back to Finance and Resources Committee for approval.

### Background

---

- 2.1 NGS has appointed a design team, led by Gareth Hoskins Architects, to design an expanded and improved National Gallery with a vision that “Scottish Art is proudly presented to the widest possible public in a Gallery of world standing with first class facilities and access”.
- 2.2 The proposals include the expansion of the ‘Scottish Wing’ into East Princes Street Gardens, creating a suite of new galleries providing an additional 500 square metres of space in which the collection of Scottish art will be exhibited.
- 2.3 The proposed layout will also include a new landscaped public pathway and terrace at the Gardens level and a wider public precinct at the higher level. This revised configuration is expected to improve connectivity between the Gallery Complex, Gardens, Princes Street, Playfair Steps and the Old Town.
- 2.4 The area of Princes Street Gardens required by NGS for its proposals is in Council ownership, is a strip approximately five metres wide and is shown hatched red on the plan at Appendix 1. The Council’s Parks and Greenspace Service is supportive of the NGS project.

### Main report

---

- 3.1 NGS has approached the Council requesting to purchase the part of Princes Street Gardens required to create the additional gallery space, landscaped pathways and terrace.

- 3.2 The area of land in question is owned by the Council, held on Common Good Account and inalienable. Being part of the Gardens, the land is protected by the City of Edinburgh District Council Order Confirmation Act 1991. This Act controls how Princes Street Gardens may be used.
- 3.3 In order, to sell Common Good land the Council would usually seek to obtain Court of Session consent and to enable alterations to the Gardens, a private bill has to be approved by the Scottish Parliament amending the 1991 Act.
- 3.4 NGS is proposing to be promoter of the private bill and in order to save both time and costs, NGS intends to incorporate the Common Good issue as part of the bill, rather than have the Council apply to the Court of Session separately. NGS intends to submit the draft bill to the Scottish Parliament by mid April 2015.
- 3.5 NGS has agreed to pay all costs associated with obtaining the aforementioned consents.
- 3.6 NGS successfully undertook a similar extension to the Gallery, known as the Playfair Project in 2004. This project also included a small section of Princes Street Gardens requiring Court consent in respect of Common Good and an amendment to the 1991 Act.

### **Measures of success**

---

- 4.1 Allowing disposal of this small strip of land will enable the National Gallery extension to proceed which will enhance this facility for both Edinburgh residents and visitors to the city. The proposals also include improvements to the hard and soft landscaping around the building, including within Princes Street Gardens.

### **Financial impact**

---

- 5.1 NGS will meet all costs relating to these proposals, including court and parliamentary costs and the Council's legal fees and expenses.

### **Risk, policy, compliance and governance impact**

---

- 6.1 This disposal does not seek to change any policies which are currently in place. The proposed extension will have a minimal impact on the open space provision provided within the gardens and should enhance access to Princes Street Gardens.
- 6.2 The Council may need to apply to the Court of Session for consent to dispose of Common Good land if NGS is not successful using parliamentary procedures.

### **Equalities impact**

---

- 7.1 Allowing the land to be made available for this extension will ensure that the gallery provides a better facility for all, including both local residents and visitors. There will be improved access in particular, both in the building and within the

gardens. There may be some access difficulties during construction, but these are reasonable and proportionate.

- 7.2 There will be benefits to all, including those with protected characteristics, by being able to view and experience art and high quality public open space at no cost. The new building and gardens should be DDA compliant ensuring better access for all.
- 7.3 The attractive nature of the buildings and gardens should ensure that more people are encouraged to come and enjoy these spaces. The new gallery will host various events and exhibitions, which will appeal to different groups. There are also a variety of events held in the gardens, which should promote better understanding of the arts and nature.

## Sustainability impact

---

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account and are noted at Background Reading later in this report.
- The proposals in this report will be carbon neutral because any temporary increase in carbon emissions during construction will be offset against the improved energy and fuel efficiencies in the new building. The landscaping will also be carbon neutral as there are new trees included in the planting scheme.
  - The need to build resilience to climate change impacts is not relevant to the proposals in this report because it will have a neutral impact on the Greenspace available.
  - The proposals in this report will help achieve a sustainable Edinburgh because improving the gallery and surrounding Greenspace will promote personal wellbeing by exposure to art and green space.
  - The proposals in this report will help achieve a sustainable Edinburgh because it should encourage greater footfall into the gallery and the gardens, which should in turn create a positive impact on local businesses.
  - The proposals in this report will help achieve a sustainable Edinburgh because the extension will be built to modern standards and landscaping will include tree planting.

## Consultation and engagement

---

- 9.1 A consultation letter has been sent to a number of organisations, including Historic Scotland, The Bank of Scotland, Network Rail, New Town & Broughton Community Council, City Centre Neighbourhood Partnership, Edinburgh Old Town Association, Cockburn Association, Edinburgh World Heritage, Edinburgh Old Town Development Trust and Local Ward Councillors. Letters of support for

the proposals have previously been sent to the NGS by Historic Scotland and Edinburgh World Heritage.

## Background reading/external references

---

[local and strategic development plans](#)

### John Bury

Acting Director of Services for Communities

Contact: Julia McVean, Estates Surveyor

E-mail: [julia.mcvean@edinburgh.gov.uk](mailto:julia.mcvean@edinburgh.gov.uk) | Tel: 0131 529 4320

## Links

---

<b>Coalition pledges</b>	P31- Maintain our City's reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure.
<b>Council outcomes</b>	CO19 - Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high.quality buildings and places and the delivery of high standards CO20 - Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens.
<b>Single Outcome Agreement</b>	SO1- Edinburgh's Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Location plan.



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH •  
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES  
EDINBURGH

LAND AT  
PRINCES STREET GARDENS  
EDINBURGH

DATE 24/12/14

SURVEYED BY

DRAWN BY Mark Ballantyne

SCALE N.T.S.

NEG. NO. A3/1529

# Finance and Resources Committee

10.00 a.m, Tuesday, 3 February 2015

## Proposed Ground Lease to Braidwood Bike Group

<b>Item number</b>	8.5
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	Southside/Newington

### Executive summary

---

Braidwood Gate, is woodland amenity ground located at the western boundary of Holyrood Park, between St Leonards and Dumbiedykes, and opposite the Craggs Sports Centre. It is currently underused and as a result, attracts some anti-social behaviour.

The Braidwood Bike Group (BBG) has developed plans to invest in the area to create a bike skills park, whilst sensitively retaining the woodland surroundings. This report seeks committee authority to grant a 25 year lease to BBG, to allow the implementation of a bike skills facility at this location.

### Links

---

<b>Coalition pledges</b>	<a href="#">P42</a>
<b>Council outcomes</b>	<a href="#">CO20</a>
<b>Single Outcome Agreement</b>	<a href="#">SO2</a>

## Proposed Ground Lease to Braidwood Bike Group

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves the grant of a 25 year lease of 0.805 hectares (1.99 acres), or thereby, of land at Braidwood Gate, Dumbiedykes, to the Braidwood Bike Group on the terms and conditions contained in this report and on other terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

### Background

---

- 2.1 The Braidwood Bike Group (BBG) is a locally-based charitable community group, comprising bike enthusiasts, educators, and cycling advocacy groups.
- 2.2 The SKELF is the name given by the BBG for the proposed urban bike skills park to be created in the heart of Edinburgh, making mountain biking, trials and BMX accessible in the city centre. The group is now a Scottish Charitable Incorporated Organisation (SCIO) registered under that name with OSCR, the Scottish charity regulator (charity No: SC044576).
- 2.3 BBG believe that creating a top-class urban bike skills park in the heart of Edinburgh will help to address the shortcomings of limited good quality and accessible recreational and bike facilities in the city. This view is, in part, supported by the Scottish Government's "The Sustainable Development of Mountain Biking in Scotland: A National Strategic Framework" which identifies urban mountain bike facilities as a way of developing the activity. BBG has initially suggested that the new cycling facility based on the 'Skills Park' model should have the following aims:
  - A fun and accessible outdoor bike skills facility for the city as a whole, making keeping fit fun;
  - A place where mountain/BMX/trials bike skills at all levels can be learned in a structured way;
  - A safe place for local schools to run bike skills and exercise programmes; and
  - A focus of positive activity for local young people.

- 2.4 In November 2012, the Council approved a motion by Cllr Burgess “that relevant Council departments provide appropriate advice and information so that Braidwood Bike Group are supported in bringing forward their feasibility study for this proposal.” The full motion is attached to this report as Appendix 1.
- 2.5 Since the above motion was agreed the Group has obtained £76,000 of funding, in principle, from the 2014 Active Places Fund to progress the project.

## Main report

---

- 3.1 BBG has progressed proposals for the establishment of the bike skills track within an area of wooded land situated at Braidwood Gate, at the western boundary of Holyrood Park, between St Leonards and Dumbiedykes and opposite the Craggs Sports Centre.
- 3.2 The subjects comprise steeply sloping ground extending to 0.805 hectares (1.99 acres) currently used as open space and scrub woodland, as shown outlined in red on the plan at Appendix 2. There have been complaints from local residents regarding anti-social behaviour in the area. The majority of the site is held on Housing Revenue Account with a small area on Services for Communities General Property Account.
- 3.3 There were previously tenements on the site but these were demolished over 50 years ago as part of the Dumbiedykes clearance. The current planning use is open space. BBG has had initial discussions with the Council’s planners regarding the proposed project and was advised that it would require planning consent for a change of use.
- 3.4 The proposed trail and pump tracks have been designed by Architrail and VeloSolutions and the design of the track will ensure that the area remains tree covered and publicly accessible.
- 3.5 The proposals are subject to the group obtaining Planning consent and will also require the provision of Risk Assessments and appropriate Public Liability insurance cover, prior to the commencement of works.
- 3.6 The Group has requested a long lease and provisional agreement has been reached on the grant of a 25 year lease subject to the following main terms and conditions:
- Subjects: 0.805 hectare, or thereby, at Braidwood Gate.
  - Term: 25 years.
  - Rental: £1 per annum, if asked.
  - Use: Urban bike skills park.
  - Costs: BBG will bear the Council’s reasonable legal and surveyors costs.



- Other Statutory consents will be obtained by the tenant, including planning consent.
- 3.7 A long lease is proposed on the basis that BBG will invest in the development and operation of this new facility and will draw down £76,000 Active Places funding in order to do so. As a registered charity, BBG will operate on a not for profit basis, with any surplus funds being reinvested in the project.

## Measures of success

---

- 4.1 Allowing BBG the security of a long term lease will enable this area to be brought into a more productive use for the community while still remaining publicly accessible, providing health and wellbeing benefits for all ages both within the local community and further afield.

## Financial impact

---

- 5.1 BBG has obtained funding for the project so the Council will not be put to any expense as a result of this letting. Moreover, given the site's steep and sloping topography and its planning use as open space, it has no alternative commercial value.
- 5.2 BBG has confirmed that it will pay the Council's reasonable legal and surveyors costs and expenses incurred in the preparation of the lease.

## Risk, policy, compliance and governance impact

---

- 6.1 This letting does not seek to change any policies which are currently in place. The alteration of the ground will have a minimal impact on the open space provision for the area. There is minimal risk to the Council as the project will be developed and managed by the BBG.

## Equalities impact

---

- 7.1 An Equalities and Rights Impact Assessment has been carried out for this project. The establishment of a bike track in this area will encourage the local community, including those with relevant protected characteristics, to participate in a physical activity, thereby enhancing skills and promotion healthy living.

## Sustainability impact

---

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below.
- The proposals in this report will be carbon neutral because the area will remain as public open space;

- The proposals in this report will increase the city's resilience to climate change impacts because it will maximise the use of urban greenspace;
- The proposals in this report will help achieve a sustainable Edinburgh by promoting personal wellbeing;
- The proposals in this report will help achieve a sustainable Edinburgh because the area will be an improved environment for the local and wider community and will be run by a third sector organisation; and
- The proposals in this report will help achieve a sustainable Edinburgh because once the tracks are completed there will be a minimal impact on the environment, allowing the natural woodland environment to flourish.

8.2 Relevant Council sustainable development policies have been taken into account and are noted at Background Reading later in this report.

## **Consultation and engagement**

---

- 9.1 An extensive local consultation by Housing and Regeneration within Services for Communities has taken place, including the delivery of 300 consultation letters to residents in Dumbiedykes and St. Leonard's in February 2014. Of the 10 responses received, five were in favour of the proposal in principle, subject to certain details being addressed and five respondents objected on the grounds of increased traffic and noise. The bike park architects will be asked to take this feedback into account when designing the details.
- 9.2 Edinburgh Tenant's Federation offered no comment and no Community Council views were available.
- 9.3 Local ward members have been consulted and all support the proposal.

## **Background reading/external references**

---

[Local community plan](#)

[Local and strategic development plans](#)

[Open Space Strategy](#)

[Public Realm Strategy](#)

[Resource Use Policy](#)

Appendix 1: Council Motion – 22 November 2012 Item 9.1

Appendix 2: Location Plan

## John Bury

Acting Director of Services for Communities

Contact: Julia McVean, Estates Surveyor

E-mail: [julia.mcvean@edinburgh.gov.uk](mailto:julia.mcvean@edinburgh.gov.uk) | Tel: 0131 529 4320

## Links

---

<b>Coalition pledges</b>	P42 – Continue to support and invest in our sporting infrastructure.
<b>Council outcomes</b>	CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens.
<b>Single Outcome Agreement</b>	SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.
<b>Appendices</b>	Appendix 1 – Motion: Braidwood Cycle Track Proposal. Appendix 2 - Location plan.

# THE CITY OF EDINBURGH COUNCIL

22 November 2012

## AMENDED MOTION

### Item 9.1: Braidwood Cycle Track Proposal

This Council:

Welcomes the interest by Braidwood Bike Park Group in establishing a recreational bike-skills track within Council-owned land between Dumbiedykes and St. Leonard's adjacent to Holyrood Park in the Southside;

Recognises the potential of this initiative to contribute to a number of Council aims particularly improving access to healthy activity for young people;

Notes the existence of a number of such cycle tracks around the city including the Muirhouse Youth Development Group 'Cyclone track' at Gypsy Brae and the 'VAT run' at South Queensferry;

Recognises the informal community consultation held on the 3rd of November at the Craggs Sports Centre and the indications of support from a wide range of organisations and individuals including Canongate Youth Project, Southside Community Centre, the Braidwood Centre, Lothian & Borders Police – Safer Neighbourhoods Team, and Scottish Cycling;

Understands that most of this scrub woodland is currently not well-used apart for rough-sleeping and anti-social behaviour;

Understands that prior to the land being used for a cycle track, proposals will have to undertake further comprehensive community consultation, meet planning regulations, health & safety assessment, and ensure that biodiversity is protected;

Notes the intention to establish a charitable organisation and to seek external grant funding to take forward this cycle track proposal including from the Scottish Government 'Legacy 2014 Active Places Fund' which funds capital projects to create places in local communities where people can go to get active;

*Therefore agrees that relevant Council departments provide appropriate advice and information so that Braidwood Bike Group are supported in bringing forward their feasibility study for this proposal.*

Proposed: Cllr Steve Burgess

Seconded: Cllr Jim Orr



BROWN STREET

QUEEN'S DRIVE

Sports Centre

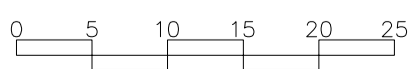
Braidwood Gate

Heriot Mount

St Leonard's Hill

29 to 39  
52

Carnegie Court  
26 to 28



# Finance and Resources Committee

10.00 a.m, Tuesday, 3 February 2015

## Proposed New Lease – Unit 22, Muirhouse Shopping Centre

Item number	8.6
Report number	
Executive/routine	Routine
Wards	4 - Forth

### Executive summary

---

The Council recently acquired Muirhouse Shopping Centre to facilitate the development of a new North West Edinburgh Partnership Centre (NWEPC) on part of the site.

The NWEPC project requires the demolition of a dental practice at Pennywell Gardens operated by Whitecross Dental Care Limited.

This report seeks authority to grant a new five year lease, with an option to extend for a further five years, to Whitecross Dental Care Limited, for the establishment of a replacement dental practice within Unit 22 of the shopping centre.

### Links

---

Coalition pledges	<a href="#">P17</a> , <a href="#">P30</a>
Council outcomes	<a href="#">CO8</a> , <a href="#">CO9</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed New Lease – Unit 22, Muirhouse Shopping Centre

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves the grant of a five year lease, with an option to extend the lease for a period of five years, to Whitecross Dental Care Limited, of Unit 22, Muirhouse Shopping Centre, on the terms outlined in this report and on the other terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

### Background

---

- 2.1 In October 2014, the Council purchased Muirhouse Shopping Centre to facilitate the delivery of a new North West Edinburgh Partnership Centre (NWEPC), which will be located on part of the site.
- 2.2 Development of the NWEPC requires the demolition of the dental practice in Pennywell Gardens, operated by Whitecross Dental Care Limited (WDC).
- 2.3 WDC has identified Unit 22, Muirhouse Shopping Centre, as shown outlined red on the attached plan, as being a suitable property to relocate the practice and thus ensure continued provision of this health service to the community.

### Main report

---

- 3.1 To enable the existing dental practice to be demolished and meet the timescales for delivery of the new NWEPC, WDC has been granted a short term five year lease, of Unit 22 under the Council's Scheme of Delegation to Officers.
- 3.2 WDC requires additional security to allow the practice to plan its business investment in the medium term and provisional agreement has been reached with WDC on the grant of a new lease based on the following main terms:

Subjects:	Unit 22, Muirhouse Shopping Centre (116m <sup>2</sup> or thereby).
Lease length:	Five years with an option for the tenant to extend the lease for a further period of five years on providing six months written notice to the landlords. There will be a rent review at the end of the initial five year term.
Rent:	£14,800 per annum exclusive of VAT.

Incentives:	The tenant will be granted a two month rent free period at the start of the lease.
Use:	Dental practice.
Costs:	Legal and surveyors costs will be met from project enabling funds.

## Measures of success

---

- 4.1 Relocating the dental practice within a vacant unit at Muirhouse Shopping Centre will ensure the continued provision of a vital health service. The new facility will provide additional consulting rooms enhancing the availability of dental health provision to the local community. Granting an option to extend the lease will enable the tenant to fully invest in the facilities to the benefit of patients.
- 4.2 Ensuring that the property is occupied will deter unwanted attention and antisocial behaviour. The letting will also enhance the appearance of Muirhouse Shopping Centre and is expected to deliver additional footfall, enhancing the trading prospects of existing retailers.

## Financial impact

---

- 5.1 The General Fund will receive an increase in budgeted rental income of £14,800 per annum as a result of the letting subject to the two month rent free period.

## Risk, policy, compliance and governance impact

---

- 6.1 The proposals will ensure that the unit is brought into productive use and secure the delivery of a vital health service for the community.

## Equalities impact

---

- 7.1 An Equalities and Rights Impact Assessment has been carried out. By securing an option to extend the lease the tenant will be able to fully develop and invest in their business which will, in turn, have a positive impact on the rights to health, physical security and productive and valued activities for the local community.

## Sustainability impact

---

- 8.1 There are no sustainability issues arising from this report.

## Consultation and engagement

---

- 9.1 Local Ward Councillors have been made aware of the letting to Whitecross Dental Care Ltd.

## Background reading/external references

---

The City of Edinburgh Council - 11 December 2014

Title: North West Edinburgh Partnership Centre item no 8.7



Economy Committee - 22 January 2014

Finance and Resources Committee -3 February 2014

Pennywell Shopping Centre, Muirhouse: Proposed Ground Lease Acquisition 'B'  
Agenda

## John Bury

Acting Director of Services for Communities

Contact: Jane Williamson, Senior Estates Surveyor

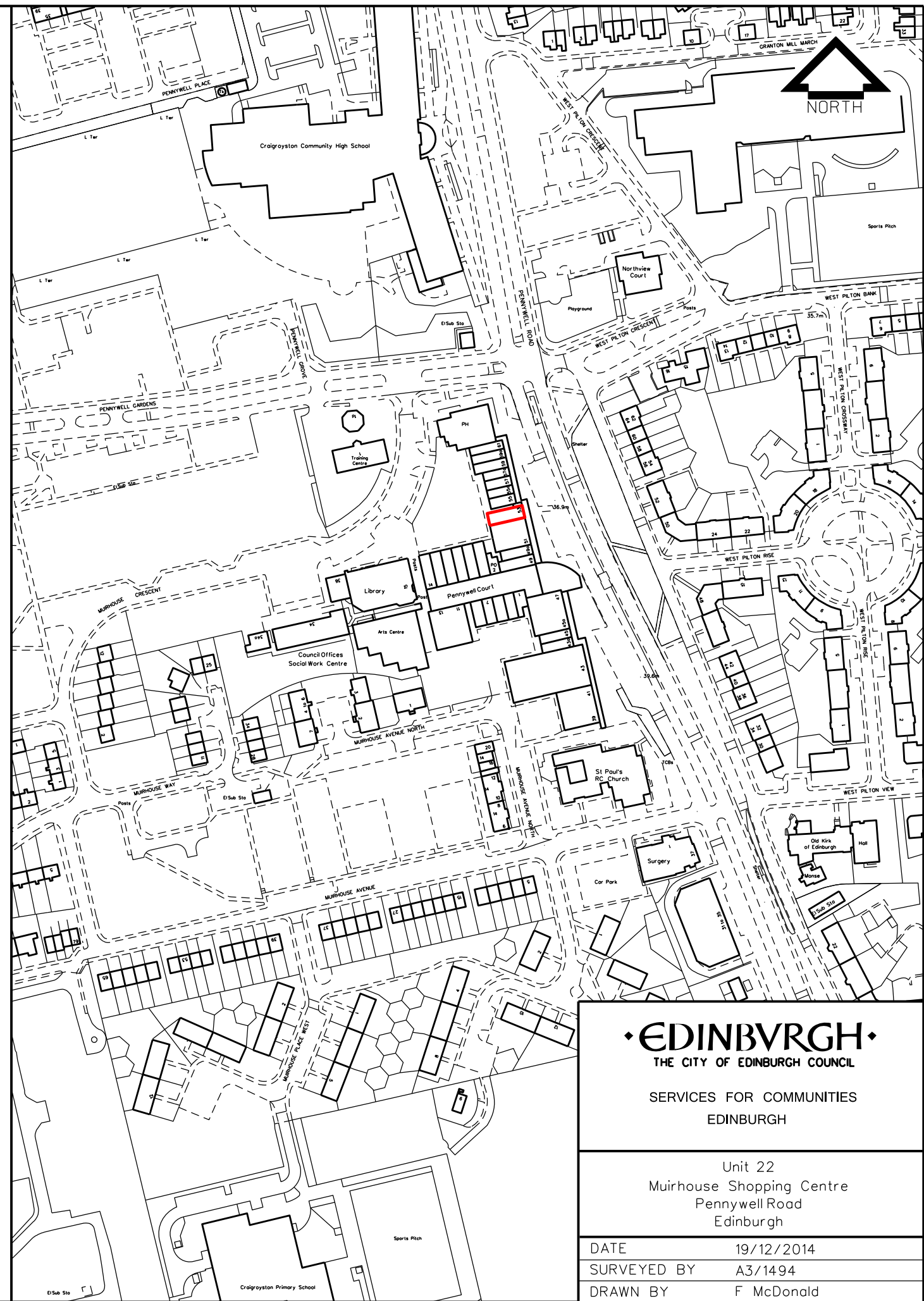
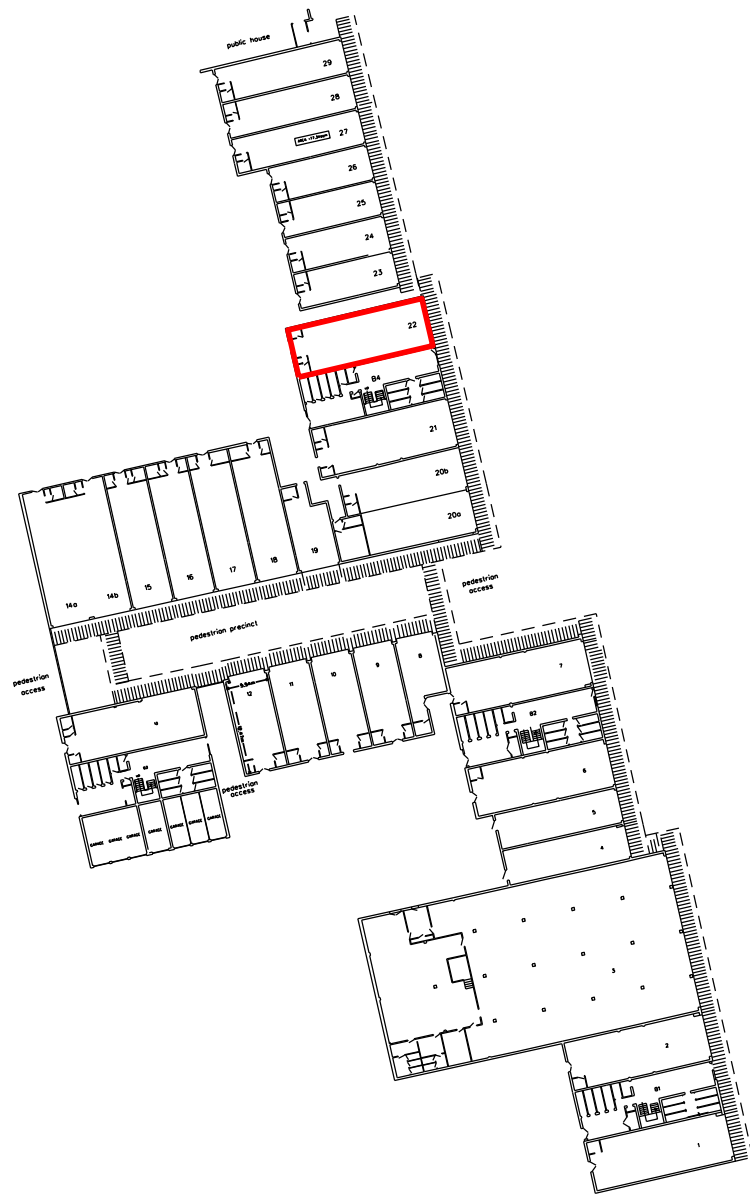
E-mail: jane.williamson@edinburgh.gov.uk | Tel: 0131 529 4354

---

## Links

---

<b>Coalition pledges</b>	P17 – Continue efforts to develop the city's gap sites and encourage regeneration. P30 – Continue to maintain a sound financial position including long-term financial planning.
<b>Council outcomes</b>	CO8 – Edinburgh's economy creates and sustains job opportunities. CO9 – Edinburgh residents are able to access job opportunities.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh's Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Location Plan.



**• EDINBURGH •**  
 THE CITY OF EDINBURGH COUNCIL  
 SERVICES FOR COMMUNITIES  
 EDINBURGH

Unit 22  
 Muirhouse Shopping Centre  
 Pennywell Road  
 Edinburgh

DATE	19/12/2014
SURVEYED BY	A3/1494
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT2176/A3/1494 report

SITE PLAN SCALE 1:1000

LOCATION PLAN SCALE 1:2500

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2014 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.

# Finance and Resources Committee

10.00 a.m, Tuesday, 3 February 2015

## Proposed New Lease – Unit 12, Muirhouse Shopping Centre

Item number	8.7
Report number	Routine
Executive/routine	
Wards	4 - Forth

### Executive summary

---

The Council recently acquired Muirhouse Shopping Centre to facilitate the development of a new North West Edinburgh Partnership Centre (NWEPC) on part of the site.

An existing tenant at the shopping centre, Mr T Chengeta, at the termination of his let, approached the Council seeking to enter into a new lease of alternative premises at Unit 12.

This report seeks authority to grant a new five year lease, with an option to extend for a further five years, to Mr T Chengeta.

### Links

---

Coalition pledges	<a href="#">P17</a> , <a href="#">P30</a>
Council outcomes	<a href="#">CO8</a> , <a href="#">CO9</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed New Lease – Unit 12, Muirhouse Shopping Centre

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves the grant of a five year lease, with an option to extend for a period of five years, to Mr Tendayi Chengeta of Unit 12, Muirhouse Shopping Centre, on the terms outlined in this report and on the other terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

### Background

---

- 2.1 In October 2014, the Council purchased the Muirhouse Shopping Centre to facilitate the delivery of a new North West Edinburgh Partnership Centre (NWEPC), which will be located on part of the shopping centre site.
- 2.2 Unit 12, Muirhouse Shopping Centre, as shown edged red on the attached plan, has remained vacant for three years and, despite being marketed by the former owner, there has been limited interest.
- 2.2 Mr Chengeta ran a hairdressing business from Unit 22, Muirhouse Shopping Centre and at the end of his occupation of Unit 22 he sought alternative premises and identified Unit 12 as being suitable for the relocation of his business.

### Main report

---

- 3.1 Mr Chengeta has requested a five year lease that is extendable by a further five years thus providing him with security to incur the cost of investing in fitting out the unit and the ability to build up a strong client base in the medium term.
- 3.2 Provisional agreement has been reached with Mr Chengeta on the grant of a new lease based on the following main terms:
  - Subjects: Unit 12, Muirhouse Shopping Centre (69m<sup>2</sup> or thereby).
  - Tenant: Mr Tendayi Chengeta.
  - Lease length: Five years with an option for the tenant to extend the lease for a further period of five years on providing six months written notice to the landlords. There will be a rent review at the end of the initial five year term.
  - Rent: £6,000 per annum exclusive of VAT.

- Incentives: The tenant will be granted a six month rent free period at the start of the lease to reflect repair works required at the property, and a further three month rent free period in the second five year period of the lease.
- Use: Hairdresser.
- Costs: Each party will meet their own costs of completing the lease with the tenant responsible for registration dues etc.

## Measures of success

---

- 4.1 By allowing an existing business to develop within a unit which has lain empty for a considerable period, the Council will obtain rental income while minimizing the Councils holding costs in rates, repairs and security. Ensuring that the property is occupied will deter unwanted attention and antisocial behaviour which is particularly prevalent in the Pennywell Court area. The new business will provide a facility to the local community and enhance the retail offering in the centre.

## Financial impact

---

- 5.1 The General Fund will receive an increase in budgeted rental income of £6,000 per annum, excluding VAT subject to deduction of the initial rent free period of six months. A further rent free period of three months has been agreed subject to the tenant not exercising a lease break option.

## Risk, policy, compliance and governance impact

---

- 6.1 The proposals will ensure that the unit is brought into productive use and secures the availability of a hairdressing service for the community.

## Equalities impact

---

- 7.1 An Equalities and Rights Impact Assessment has been carried out. By securing an option to extend the lease the tenant will be able to develop fully and invest in their business which will in turn have a positive impact on the rights to health, physical security and productive and valued activities for the local community.

## Sustainability impact

---

- 8.1 There are no sustainability issues arising from this report.

## Consultation and engagement

---

- 9.1 Local Councillors have been made aware of the letting to Mr Tendayi Chengeta.

## Background reading/external references

---

None.

### John Bury

Acting Director of Services for Communities

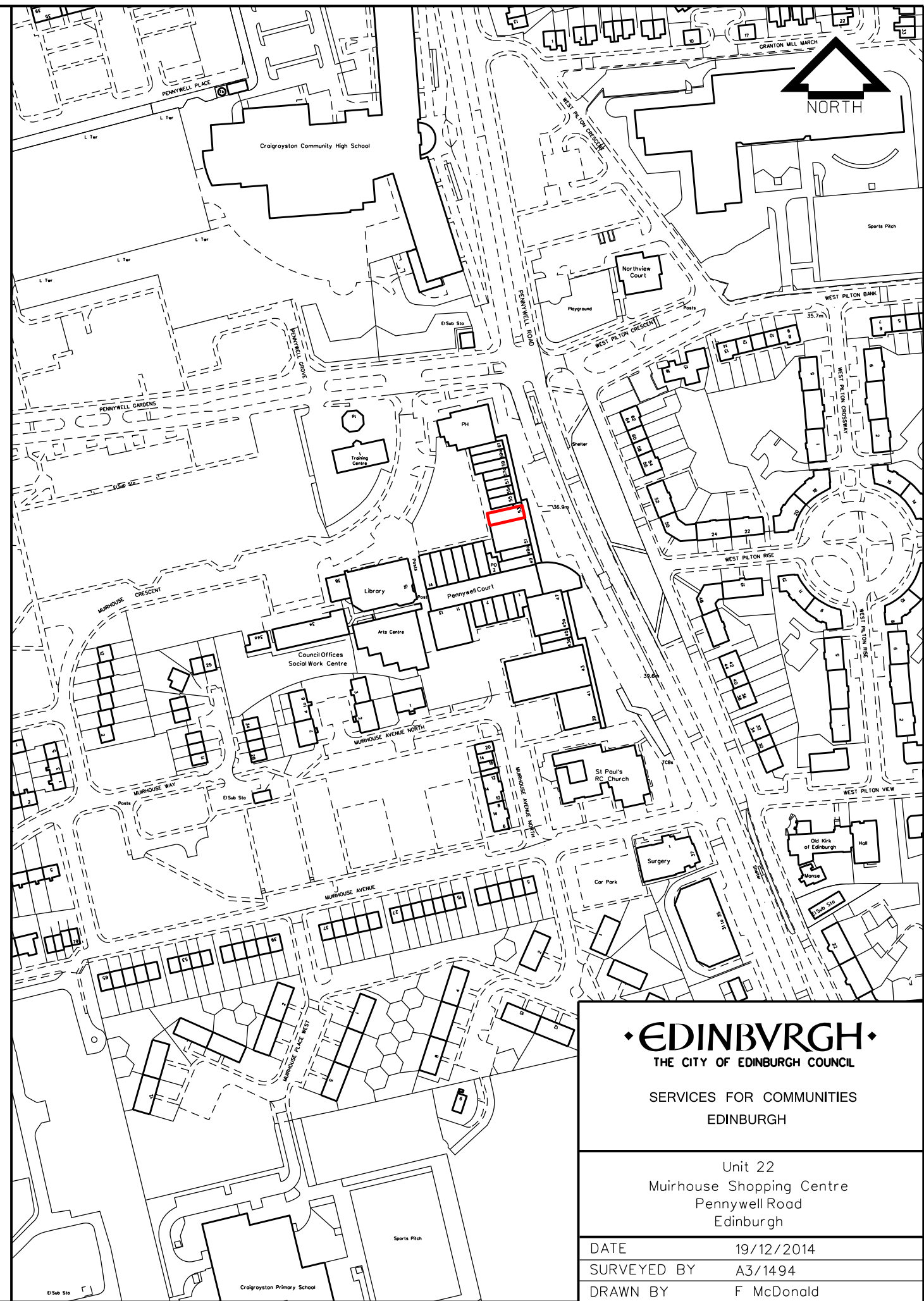
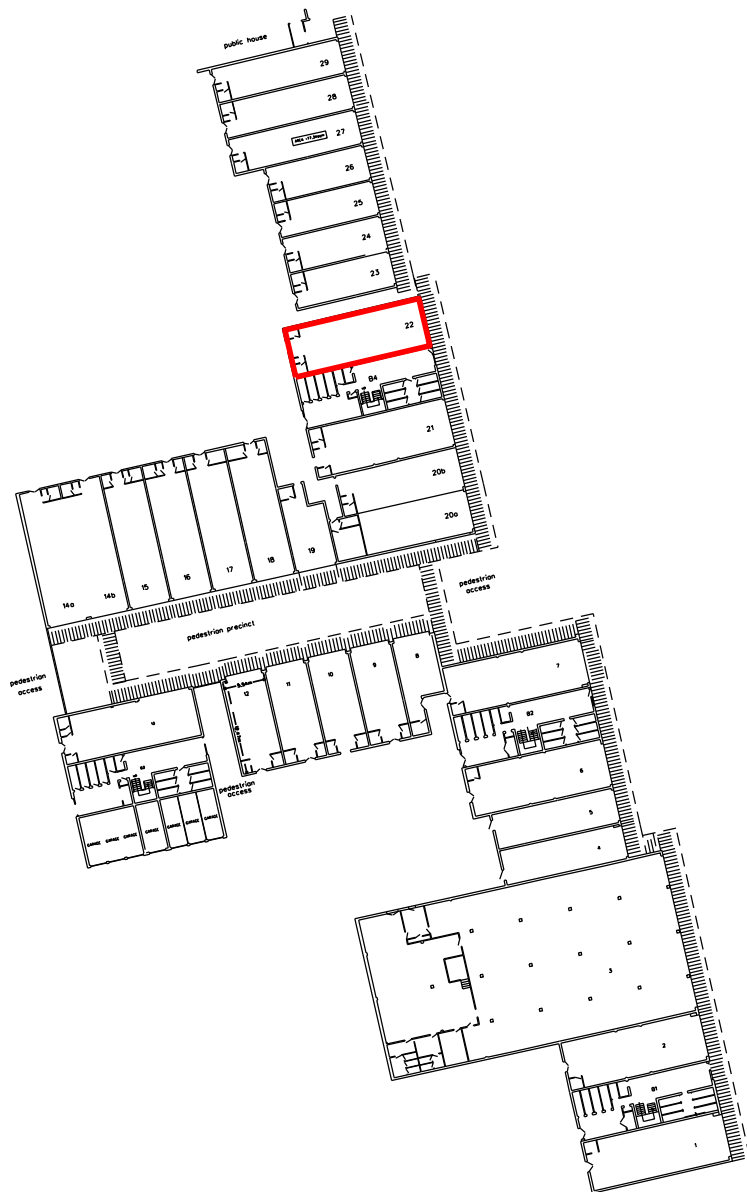
Contact: Jane Williamson, Senior Estates Surveyor

E-mail: jane.williamson@edinburgh.gov.uk | Tel: 0131 529 4354

### Links

---

<b>Coalition pledges</b>	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration. P30 – Continue to maintain a sound financial position including long-term financial planning.
<b>Council outcomes</b>	CO8 – Edinburgh’s economy creates and sustains job opportunities. CO9 – Edinburgh residents are able to access job opportunities.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Location Plan.



<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
SERVICES FOR COMMUNITIES EDINBURGH	
Unit 22 Muirhouse Shopping Centre Pennywell Road Edinburgh	
DATE	19/12/2014
SURVEYED BY	A3/1494
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT2176/A3/1494 report

SITE PLAN

SCALE 1:1000

LOCATION PLAN

SCALE 1:2500

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2014 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.