

Minutes

Finance and Resources Committee

10.00am, Thursday 10 October 2019

Present

Councillors Rankin (Convener), Cameron (Vice-Convener), Booth, Bruce, Corbett, Dixon (substituting for Councillor Gordon for item 11), Gordon, Hutchison, Johnston, Neil Ross, Munn and Watt.

1. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 26 September 2019 as a correct record.

2. Finance and Resources Committee Work Programme

The Finance and Resources Committee Work Programme was submitted.

Decision

To note the Work Programme.

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

3. Rolling Actions Log

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

Decision

1) To agree to close the following actions:

Action 7 – Action 7 – Motion by Councillor Burgess – Cameron House Community Centre (see agenda of 23 May 2019)

Action 8 – Treasury Management: Annual Report 2018/19

Action 9 (2) – Revenue Monitoring 2019/20 Period Three Report

Action 10 (1) – Corstorphine Youth and Community Centre

Action 13 – Common Good Assets Register

2) To otherwise note the Rolling Actions Log.

(Reference – Rolling Actions Log, submitted.)

4. Business Bulletin

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

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, submitted.)

5. Council Change Strategy: Planning for Change and Delivery Services 2019-2023

An update was provided on progress in developing the evolving four-year change strategy with specific discussion on the budget-setting approach for 2020/21. Committee were advised of the outcome of a review of the principal expenditure and income assumptions and other relevant factors contained within the budget framework over the period to 2022/23.

Decision

- 1) To endorse the adoption of addressing poverty, sustainability and wellbeing as the policy priorities which would provide a focus for development of the Council's budget for 2020-23.
- 2) To note the outcome of the medium-term review of the income and expenditure assumptions over the next three years and the consequent need to identify and deliver additional savings of at least £36m in 2020/21 and £87m by 2022/23, as well as those approved as part of previous years' budgets.
- 3) To note that a further report would be presented to the Committee in January 2020 that would set out the implications for the Council of the provisional Local Government Finance Settlement over the period of the budget framework.
- 4) To agree that the Council utilised current engagement material and the IIA process to inform its budget decisions and looked for further citizen feedback

on those specific proposals which were new or had not been publicly discussed in previous years.

(References – Finance and Resource Committee, 1 February 2019 (Item 11); Joint report by Chief Executive and Director of Resources, submitted.)

6. Resources Directorate – Internal Audit Action Update

Committee considered a report that followed Internal Audit's annual opinion for the City of Edinburgh Council for the financial year ended 31 March 2019 and the outcomes of Internal Audits completed at the end of the 2018/19 Internal Audit Plan, which had either a Councilwide finding and were applicable to all Directorates or were specific to the Resources Directorate.

Decision

- 1) To note the 2018/19 Internal Audit opinion and the associated summary findings from the final audits undertaken in the plan relevant to the Resources Directorate.
- 2) To note the position in respect of the current open and overdue internal audit findings relating to the Resources Directorate.
- 3) To refer the report and any feedback from the Committee to the next available meeting of the Governance, Risk and Best Value Committee.

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

7. Capital Budget Strategy 2020-2030

Details were provided of priorities for council capital investment over the medium to long-term and the plan on how they could be funded. Priorities put forward for proposed additional funding included the Wave 4 schools programme, additional infrastructure required due to population growth and demography as well as increased investment in the Council's existing estate.

Decision

- 1) To note the priorities for capital expenditure outlined in the report and the proposed funding solutions.
- 2) To note that delivery of funded capital expenditure priorities was dependent on the achievement of a balanced medium-term revenue budget.
- 3) To note that further reports would be presented to the Committee prior to the Council setting its budget in February 2020.

- 4) To refer the report to the Governance, Risk and Best Value Committee, as part of its programme of work.

(References – Finance and Resource Committee, 15 August 2019 (Item 7); report by Executive Director of Resources, submitted.)

8. Communities and Families Learning Estate

An update was provided on the replacement Castlebrae High School project and approvals that were required for the project to proceed. An overview of current financial pressures in other committed learning estate projects and how these would be addressed was also provided.

Decision

- 1) To approve that the Executive Director of Communities and Families be authorised to sign on behalf of the Council the Design and Build Development Agreement (“the Contract”) with Hub South East Scotland Ltd for the construction of the replacement Castlebrae High School and any other documents related to the Castlebrae project.
- 2) To approve the transfer of land at Craigmillar from the Housing Revenue Account to Communities and Families to facilitate the construction of the replacement Castlebrae High School on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.
- 3) To note the proposed realignment of the existing approved Communities and Families budget to ensure the delivery of priority projects.
- 4) To note the requirements for future learning estate capital projects which following further business case development will be submitted for consideration in the budget setting process for 2020-21 and beyond.

(References – Finance and Resource Committee, 11 October 2018 (Item 9); report by Executive Director of Communities and Families, submitted.)

9. Revenue Maximisation Project Report

An update was provided on the revenue maximisation project work that had been undertaken during the last 3 months. The Committee was invited to scrutinise the progress made to date and to endorse this work being further progressed as part of the 2020/21 Change Strategy and Budget Setting process.

Decision

- 1) To note the outputs from the diagnostic work undertaken during the initial 3 months of the project.
- 2) To endorse the principle that the Council should actively consider opportunities to maximise existing revenue streams and seek to generate new revenue streams to support the sustainability of the Council's budget and core services.
- 3) To endorse the alignment of any further activities in this area with the development of the Council's Change Strategy and Budget Setting for 2020/21, including active consideration of any capacity investment needed to support this work being progressed.
- 4) To agree that the Executive Director of Resources would provide a further update report to the Committee in March 2020.

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

10. Workforce Dashboard

The Committee considered a report which provided a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of July 2019.

Decision

To note the workforce information contained in the dashboard.

(References – Finance and Resource Committee, 15 August 2019 (Item 15); report by Executive Director of Resources, submitted.)

11. Community Centre Leases

Leases for community centres dated to the mid-1990s and required modernisation. Approval was sought to the principle of modernising the leases on standard terms for all the community centres and proposed consultation with centre management committees in this regard.

Decision

- 1) To approve the principle of implementing modern leases on standard terms for all community centres with management committees.
- 2) To approve consultation with the management committees on the draft standard lease terms appended to the report.

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

12. Lease for Drylaw Neighbourhood Centre, Groathill Road North, Edinburgh

Approval was sought to grant of a new 25-year lease to Drylaw/Telford Community Association.

Decision

To approve the grant of a new 25-year lease to Drylaw/Telford Community Association on the terms and conditions outlined in the report and on such other terms and conditions that might be proposed by the Executive Director of Resources.

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

13. Appointment of specialist design team to deliver three new primary schools to Certified Passivhaus standard

Approval was sought to award the contract for multi-disciplinary design team services to Faithful and Gould Ltd under a Direct Award via the Crown Commercial Services Framework. The contract was initially to develop the design to RIBA stage 4 (procurement stage) with a break point at RIBA stage 2 (concept design). The cost to deliver the designs to RIBA stage 4 was £3,081,426. This aligned with fee levels associated with other available design frameworks and was within existing budgets. This approach would facilitate the delivery of the proposed new Primary Schools to Certified Passivhaus Standard by a suitably experienced, expert design team.

Decision

To approve the award of the Contract for Design Services, initially to RIBA Stage 4 (Procurement stage), for three new Certified Passivhaus Primary Schools to Faithful and Gould Ltd for the contract value of £3,081,426 utilising the Crown Commercial Services Framework for Multi-Disciplinary Design Team Services.

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

14. Depots Strategy: Collections for the Future

Details were provided of proposals to create a single, accessible collections storage facility (Collections Hub) and to revise current Council physical records storage arrangements to enable the delivery of the Council's Depot Strategy and the Culture Services Review, both contained within the Council's Change Strategy

Decision

- 1) To agree the Business Case, for the creation of a new Collections Hub at Russell Road, as set out in the appendix to the report.
- 2) To agree the transfer of the Council's records storage to a third-party provider.
- 3) To agree the management of that contract and professional support was provided by the Council's Records and Archives Service.
- 4) To agree to ringfence the Broughton Market capital receipt within the Depots and Storage Strategy.

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

15. New Build Housing Framework Agreement Lot 2

Approval was sought to award Lot 2 of the New Build Housing Framework Agreement to six contractors to support the delivery of new affordable homes.

Decision

- 1) To approve the award of Lot 2 of the New Build Housing Contractor Framework Agreement to the following six Contractors:
 - CBC (Glasgow) Ltd
 - CCG (Scotland) Ltd
 - ENGIE Regeneration Ltd
 - Hadden Construction Ltd
 - Hart Builders (Edinburgh) Ltd
 - Robertson Partnership Homes Ltd
- 2) To note that the Framework Agreement was for a period of three years, with the option to extend for a further one year.
- 3) To note the total estimated value of contracts for this Lot, over the maximum four-year period of the Framework Agreement at between £250 million and £400 million.
- 4) To delegate authority to the Executive Director of Place and the Head of Place Development in line with the Scheme of Delegation for the awarding of contracts which were undertaken using the Framework Agreement and to note that these awards would be reported to Finance and Resources Committee under the quarterly procurement report for Awards of Contract.

(References – Finance and Resource Committee, 23 May 2019 (Item 17); report by Executive Director of Place, submitted.)

16. Bustracker – Contract Award

Approval was sought to award the contract for the installation of a new Content Management System (CMS), bus station information system and installation of a new on street Real Time Passenger Information (RTPI) system to the winning tenderer, 21st Century Solutions, at a maximum cost of £2.9 million. The new system would deliver real time information to bus users as well as onward travel information for tram, train and flight information via new colour screens capable of generating revenue via advertising.

Decision

- 1) To note the decision taken on 9 March 2018 by the Transport and Environment Committee to authorise the procurement of new Bus Station Information hardware and software management system, to procure a new Content Management System (CMS) and to authorise the advancement of the on-street Real Time Passenger Information (RTPI) signage aspect of the project under the same contract, via an output-based specification, to challenge the current market.
- 2) To award the new bus station information system, CMS and RTPI on street sign system to 21st Century Solutions for a period of five years with the option of two four-year extension periods at an estimated value of £2.9 million.
- 3) To refer, subject to the Committee's consideration, the report to Council for approval of prudential borrowing of up to £2.35m, with the resulting annual repayments of £0.299m able to be met in full through reductions in on-going maintenance costs.

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

17. Award of Contract – Consultancy Services for Edinburgh Tram York Place to Newhaven Project

Approval was sought for consultancy support to deliver the construction phase of the Edinburgh Tram York Place to Newhaven Project from November 2019 to March 2023 following successful completion of the Early Contractor Involvement phase. The contract awards which were recommended for appointment were Turner and Townsend Limited for a total cost of £6,799,000, Atkins Limited for a total cost of £1,195,000, Anturas Limited for a total cost of £776,337 and Scottish Water for a total cost of £2,656,348.

Decision

- 1) To approve an award of Contract for a value of £776,337 through a waiver of the Contract Standing Order to Anturas Limited for Project Director, Community Consultation, and Project Assurance Services for the Edinburgh Tram York Place to Newhaven Project.
- 2) To approve an award of Contract, utilising Scotland Excel Technical Engineering, and Consultancy Services to Turner and Townsend Limited for £6,799,000. for Project and Commercial Management Services for the Edinburgh Tram York Place to Newhaven Project.
- 3) To approve an award of Contract, utilising Scotland Excel Technical Engineering, and Consultancy Services to Atkins Limited for £1,195,000 for Technical Advisory and Design Services for the Edinburgh Tram York Place to Newhaven Project.

(References – City of Edinburgh Council, 14 March 2019 (Item 2); report by Executive Director of Place, submitted.)

18. National Care Home Contract – Outcome of Negotiations

Results of national negotiations led by COSLA to determine the National Care Home Contract (NCHC) terms and conditions for 2019/20 were provided. Taking account of the responsibilities of the Integrated Joint Boards (IJBs), the COSLA negotiating team included representation from IJB Chief Officers and IJB Finance Officers.

Decision

- 1) To note and endorse the baseline fee uplift of £1.148m with effect from 8 April 2019.
- 2) To note that any enhanced payments made to care home providers in 2019/20 would be made on the basis of demonstrated quality.
- 3) To agree the Edinburgh concession to the NCHC as set out in the main report.
- 4) To agree to apply a reduction of £25 per week on all rates for shared rooms.

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

19. Electric Vehicle Programme – Enforcements and Tariffs

A new enforcement and charging regime was needed for the use of on-street electric vehicle (EV) charging to ensure appropriate use of charging bays. Based on existing parking enforcement measures, a new regime had been developed and was detailed

in the report along with proposed financial charges to apply to users of the EV charging network.

Decision

- 1) To approve the enforcement and charging regime for the on street electric vehicle programme.
- 2) To note that the regime would also be applied to all Council off street sites.
- 3) To agree that the review after 6 months would consider continuous penalties and include further information on whether the EV Programme could pay for itself in a way that was weighted more on the per KW hour charge and less on the connection charge.
- 4) To agree to refer the report to the Transport and Environment Committee for noting.

(References – Transport and Environment Committee, 5 March 2019 (Item 7); report by Executive Director of Place, submitted.)

20. Summary Report on Property Transactions concluded under Delegated Authority

Details were provided of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.

Decision

To note the 15 transactions detailed in the appendix to the report which had been concluded in terms of the Council's 'Scheme of Delegation to Officers'.

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

21. The Wood Centre, 100 Westburn Gardens - Proposed Disposal

Approval was sought for the sale of the property at The Wood Centre, 100 Westburn Gardens to Prospect Community Housing Limited.

Decision

To approve the sale of the property at The Wood Centre, 100 Westburn Gardens to Prospect Community Housing Limited on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

22. Proposed New Lease at Granton Castle Walled Garden

Approval was sought to grant a new 20-year lease to Friends of Granton Castle Walled Garden.

Decision

To approve a new lease of Granton Castle Walled Garden to Friends of Granton Castle Walled Garden, on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

(References – Corporate Policy and Strategy Committee, 14 May 2019 (Item 21); report by Executive Director of Resources, submitted.)

23. Land at Clovenstone Gardens, Edinburgh - Proposed Disposal

Approval was sought for the sale of 1,788 sq m (0.44 acres) of land adjacent to Clovenstone Gardens, to J Smart & Co.

Decision

To approve the sale of 1,788 sq m (0.44 acres) of land adjacent to Clovenstone Gardens, to J Smart & Co on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

24. Land at Prestonfield Gardens, Edinburgh - Proposed Disposal

Approval was sought for the sale of 460 sq m (0.11 acres) of land adjacent to 37 Prestonfield Gardens.

Decision

To approve the sale of 460 sq m (0.11 acres) of land adjacent to 37 Prestonfield Gardens, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

25. Contract Award and Procurement Programme (Period 1 January to 30 June 2019)

An update was provided on the scope of contracts awarded across the Council in the period 1 January to 30 June 2019. Details of the forthcoming procurement programme in relation to expected higher value contracts across the Council were also provided.

Decision

To note the report and the contract awards made by officers under delegated authority. A further report would be submitted to the Committee in approximately six months' time.

(References – Finance and Resources Committee, 7 March 2019 (Item 27); report by Executive Director of Resources, submitted.)

26. Award of Contracts to the Open Framework for Support Services under Options 2, 3 & 4 of 'The Social Care (Self-Directed Support) (Scotland) Act 2013'

Approval was sought to appoint 18 providers to the Open Framework for Support Services under Options 2,3 & 4 of The Social Care (Self-Directed Support) (Scotland) Act 2013.

Decision

- 1) To approve the appointment of 18 providers to the Open Framework for Support Services under Options 2,3 and 4 of The Social Care (Self-Directed Support) (Scotland) Act 2013.
- 2) To note that the report had also been submitted to the Education, Children and Families Committee for consideration on 8 October 2019.
- 3) To agree that the Framework duration would be for 48 months starting from the 1 November 2019.
- 4) To note that the total estimated maximum value of call off contracts to the Council, was £4,000,000. This would be dependent on the mix of direct payments and Options 2,3 and 4 services agreed with the service user.

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

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

Committee were advised that Council had an existing contract with Levenseat Ltd to provide services relating to treatment and disposal of waste from the Council's street cleaning and mechanical street sweeping activities. Retrospective approval was sought to extend the contract for a short period, by waiver of the Council's Contract Standing Orders, to ensure continuity of service and allow time to deliver these services via a different approach.

Decision

To approve to extend the contract, via waiver of the Contract Standing Orders, for the treatment and disposal of waste from street cleaning and mechanical street sweepings This would ensure continuity of service provision until the new contract for mechanical street sweepings could be implemented and arrangements were put in place to receive street cleaning waste at Council owned transfer stations with disposal via the Millerhill Energy from Waste Plant.

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

28. Edinburgh International Conference Centre – hotel and hospitality training school opportunity at The Haymarket Edinburgh

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following items of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 8 and 9 Part 1 of Schedule 7(A) of the Act.

Decision

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

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

Declaration of Interests

Cllr Cameron declared a non-financial interest in the above item as a member and Chair of the Edinburgh International Conference Centre Board.

Councillor Gordon declared a non-financial interest in the above item as a member of the Edinburgh International Conference Centre Board.