

Notice of meeting and agenda

Finance and Resources Committee

10.00 am Thursday, 10th October, 2019

Dean of Guild Court Room - City Chambers

This is a public meeting and members of the public are welcome to attend

Contacts

Email: veronica.macmillan@edinburgh.gov.uk / martin.scott@edinburgh.gov.uk

Tel: 0131 529 4283 / 0131 529 4237

1. Order of business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declaration of interests

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Deputations

- 3.1 If any

4. Minutes

- 4.1 Minute of the Finance and Resources Committee of 26 September 2019 - submitted for approval as a correct record 9 - 16

5. Forward Planning

- 5.1 Finance and Resources Committee Work Programme 17 - 20
- 5.2 Finance and Resources Committee Rolling Actions Log 21 - 32

6. Business Bulletin

- 6.1 Business Bulletin 33 - 36

7. Executive decisions

7.1	Council Change Strategy: Planning for Change and Delivery Services 2019-2023 – Report by Chief Executive	37 - 56
7.2	Resources Directorate – Internal Audit Action Update – Report by Executive Director of Resources	57 - 76
7.3	Capital Budget Strategy 2020-2030 – Report by Executive Director of Resources	77 - 90
7.4	Communities and Families Learning Estate – Report by Executive Director of Communities and Families	91 - 102
7.5	Revenue Maximisation Project Report – Report by Executive Director of Resources	103 - 118
7.6	Workforce Dashboard – Report by Executive Director of Resources	119 - 130
7.7	Community Centre Leases – Report by Executive Director of Resources	131 - 136
7.8	Lease for Drylaw Neighbourhood Centre, Groathill Road North, Edinburgh – Report by Executive Director of Resources	137 - 142
7.9	Appointment of specialist design team to deliver three new primary schools to Certified Passivhaus standard – Report by Executive Director of Resources	143 - 150
7.10	Depots Strategy: Collections for the Future – Report by Executive Director of Place	151 - 184
7.11	New Build Housing Framework Agreement Lot 2 – Report by Executive Director of Place	185 - 192
7.12	Bustracker – Contract Award – Report by Executive Director of Place	193 - 200
7.13	Award of Contract – Consultancy Services for Edinburgh Tram York Place to Newhaven Project – Report by Executive Director	201 - 206

of Place

- | | | |
|-------------|---|-----------|
| 7.14 | National Care Home Contract – Outcome of Negotiations – Report by Chief Officer, Edinburgh Health and Social Care Partnership | 207 - 212 |
| 7.15 | Electric Vehicle Programme – Enforcements and Tariffs – Report by Executive Director of Place | 213 - 226 |

8. Routine decisions

- | | | |
|------------|--|-----------|
| 8.1 | Summary Report on Property Transactions concluded under Delegated Authority – Report by Executive Director of Resources | 227 - 238 |
| 8.2 | The Wood Centre, 100 Westburn Gardens - Proposed Disposal – Report by Executive Director of Resources | 239 - 244 |
| 8.3 | Proposed New Lease at Granton Castle Walled Garden – Report by Executive Director of Resources | 245 - 274 |
| 8.4 | Land at Clovenstone Gardens, Edinburgh – Proposed Disposal – Report by Executive Director of Resources | 275 - 280 |
| 8.5 | Land at Prestonfield Gardens, Edinburgh - Proposed Disposal – Report by Executive Director of Resources | 281 - 284 |
| 8.6 | Contract Award and Procurement Programme (Period 1 January to 30 June 2019) – Report by Executive Director of Resources | 285 - 314 |
| 8.7 | 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' – Report by Executive Director of Communities and Families | 315 - 326 |
| 8.8 | Treatment and Disposal of Waste (Street Cleaning and Mechanical Street Sweeping) – Extension to Contract – Report by Executive Director of Place | 327 - 332 |

9. Motions

9.1 None.

10. Resolution to consider in private

10.1 The Sub-Committee, is requested under Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraph 8 of Part 1 of Schedule 7A of the Act.

11. Private Reports

11.1 Edinburgh International Conference Centre – hotel and hospitality training school opportunity at The Haymarket Edinburgh – Report by Executive Director of Place 333 - 342

Laurence Rockey

Head of Strategy and Communications

Committee Members

Councillor Alasdair Rankin (Convener), Councillor Lezley Marion Cameron (Vice-Convener), Councillor Chas Booth, Councillor Graeme Bruce, Councillor Gavin Corbett, Councillor George Gordon, Councillor Graham Hutchison, Councillor Andrew Johnston, Councillor Rob Munn, Councillor Neil Ross and Councillor Mandy Watt

Information about the Finance and Resources Committee

The Finance and Resources Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council. The Finance and Resources Committee usually meets 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, 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 4237, email veronica.macmillan@edinburgh.gov.uk / martin.scott@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/cpol.

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.

The Council is a Data Controller under the General Data Protection Regulation and Data Protection Act 2018. We broadcast Council meetings to fulfil our public task obligation to enable members of the public to observe the democratic process. 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, individuals may be filmed and images and sound recordings captured of them will be used and stored 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 individuals 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 (committee.services@edinburgh.gov.uk).

This page is intentionally left blank

Minutes

Finance and Resources Committee

10.00am, Thursday 26 September 2019

Present

Councillors Rankin (Convener), Cameron (Vice-Convener), Booth, Bruce, Corbett, Gordon, Hutchison, Johnston, Neil Ross, Munn and Watt.

1. Cameron House Community Centre Budget Allocation

a) Cameron House Community Education Centre Management Committee

The Committee agreed to hear a deputation from Moira O'Neill of Cameron House Community Education Centre Management Committee in relation to the report on Cameron House Community Centre budget allocation.

The following points were raised during discussion:

- The deputation referenced section 3.5 of the report that referred to previous A agenda reports that were considered by the Education, Children and Families Committee and the Governance, Risk and Best Value Committee, and following the meetings advised that an apology was issued to Cameron House Management Committee by the Council.
- The deputation felt it was important to bring to the Committee's attention that an action plan was agreed with the Chief Executive and the then deputy Chief Executive as noted in 3.7 of the report in terms of changing the liaison/relationship between the Council and Cameron House.
- Committee were further advised that impartial robust protections were implemented for the relevant staff member.
- A meeting between the deputation, the Council monitoring officer and a senior member of staff was held to discuss the practicalities involved in facilitating and implementing these changes. It was agreed at the meeting that the existing tertiary budget to Cameron House would be ringfenced.
- The Community Centre Management Committee were informed the ringfenced budget was being reduced, which led to services for children and young people being reduced.
- The deputation raised concerns on behalf of the management committee, mainly that the ringfenced budget agreement made was entered in to in good faith and

was at risk of being set aside and of undermining the goodwill and trust between the Council, the Management Committee and the service users of the Centre.

- The deputation highlighted that this was a unique situation brought about by extenuating circumstances and the wish of the management committee was that Committee took the information into account when considering the report.

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

b) Ward Councillors

In accordance with Standing Order 31.1, the Convener agreed to hear a presentation from Ward Councillors Burgess, Dickie and Rose in relation to the report on Cameron House Community Centre Budget Allocation.

The following points were raised during discussion:

- Councillor Rose drew the Committee's attention to the fact that this was a cross-party presentation and Councillor Ian Perry who was unable to attend supported the cross party amendment that was before the Committee.
- There had been a break down in trust over a long period which was in the process of being repaired through the management plan.
- The Community Centre was a well-run, well used and valuable resource to the local community.
- Committee was urged to consider the wider history of the Community Centre when considering the report.
- There was a difference of understanding in what was agreed between Council officers and the Management Committee.

c) Report by the Executive Director of Resources

A motion was approved at Finance and Resources Committee on 23 May 2019 detailed in paragraph 3.1 of the report. The report fulfilled the motion and set out the position with regard to the budget for Cameron House Community Centre ("Cameron House") and sought the Committee's decision with regard to the budget allocation for 2019/20 and beyond.

Motion

- 1) To agree to preserve the 17/18 budget level for Cameron House for 19/20 (Option B detailed in paragraph 4.13 of the report).
- 2) To agree that all future meetings between council officials and the Management Committee be minuted and circulated to the local councillors. The minute taker to be agreed by both parties.
 - Moved by Councillor Rankin, seconded by Councillor Cameron

Amendment

- 1) To agree that all future meetings between council officials and the Management Committee be minuted and circulated to the local councillors. The minute taker was to be agreed by both parties.
- 2) To note the further background information from all four Southside-Newington Ward Councillors, provided to assist the Committee to make a more fully informed decision.
- 3) To note that following a breakdown in the relationship between the Council and Cameron House Community Education Centre Management Committee as outlined in the report, a Chief Executive/Deputy Chief Executive's Action Plan was agreed, which included: the removal of Cameron House from the Community Learning and Development section in Children and Families, providing the Community Learning and Development Worker with robust protection and a suitable senior CEC contact with no prior involvement.
- 4) To note that having met with representatives of the Management Committee and with relevant officers, all four ward councillors were of the view that there was a difference in understanding over what was agreed about ringfencing the tertiary budget available to the Management Committee.
- 5) To note that ward councillors had seen correspondence from the Management Committee to the council that indicates that they understood the agreement that the tertiary budget would be ringfenced.
- 6) To note that in 2019 the programme of community education activities at Cameron House was curtailed owing to the reduction in the tertiary budget.
- 7) To note the uncertainty in resolving this issue had not been helpful to all involved.
- 8) To agree that in the context of the difficulties referred to in the report, including the details outlined in the documents referred to in paragraphs 3.1 – 3.8, the issue was less about the amount of lower payment than expected, but one of maintaining trust and a good working relationship.
- 9) To agree to resolve to observe the ringfencing of the amount available to the Management Committee, and to approve Option B detailed in the report, to preserve the 2017/18 budget level for Cameron House for 2019/20 up to the next local government election and with the funding being taken from the Council Priorities Fund, or other fund approved by the Chief Executive.

- Moved by Councillor Rankin, seconded by Councillor Hutchison

In terms of Standing Order 21.11, the Cross-Party Amendment was accepted as an addendum to the motion by Councillor Rankin.

Decision

- 1) To agree that all future meetings between council officials and the Management Committee be minuted and circulated to the local councillors. The minute taker was to be agreed by both parties.
- 2) To note the further background information from all four Southside-Newington Ward Councillors, provided to assist the Committee to make a more fully informed decision.
- 3) To note that following a breakdown in the relationship between the Council and Cameron House Community Education Centre Management Committee as outlined in the report, a Chief Executive/Deputy Chief Executive's Action Plan was agreed, which included: the removal of Cameron House from the Community Learning and Development section in Children and Families, providing the Community Learning and Development Worker with robust protection and a suitable senior CEC contact with no prior involvement.
- 4) To note that having met with representatives of the Management Committee and with relevant officers, all four ward councillors were of the view that there was a difference in understanding over what was agreed about ringfencing the tertiary budget available to the Management Committee.
- 5) To note that ward councillors had seen correspondence from the Management Committee to the council that indicates that they understood the agreement that the tertiary budget would be ringfenced.
- 6) To note that in 2019 the programme of community education activities at Cameron House was curtailed owing to the reduction in the tertiary budget.
- 7) To note the uncertainty in resolving this issue had not been helpful to all involved.
- 8) To agree that in the context of the difficulties referred to in the report, including the details outlined in the documents referred to in paragraphs 3.1 – 3.8, the issue was less about the amount of lower payment than expected, but one of maintaining trust and a good working relationship.
- 9) To agree to resolve to observe the ringfencing of the amount available to the Management Committee, and to approve Option B detailed in the report, to preserve the 2017/18 budget level for Cameron House for 2019/20 up to the next local government election and with the funding being taken from the Council Priorities Fund, or other fund approved by the Chief Executive.

(References – Governance, Risk and Best Value Committee, 18 August 2016 (item 9); report by the Chief Executive, submitted.)

2. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 15 August 2019 as a correct record.

3. 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.)

4. 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 1 – Sickness Absence Policy

Action 3 – Gender Pay Gap

Action 4 – Business Bulletin

Action 10 – Motion by Councillor McVey – Support for Council Employees Subject to Domestic Abuse

Action 12 – Revenue Monitoring 2018/19 – Outturn Report

Action 15 – Workforce Dashboard

Action 16 – Update on the Implementation of the Construction Charter

Action 17(3) – Corstorphine Youth and Community Centre

2) To otherwise note the Rolling Actions Log.

(Reference – Rolling Actions Log, submitted.)

5. Business Bulletin

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

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, submitted.)

6. City of Edinburgh Council - 2018/19 Annual Audit Report to the Council and the Controller of Audit

The Governance, Risk and Best Value Committee on 17 September 2019 considered a joint report by the Chief Executive and the Executive Director of Resources, which detailed the principal findings that arose from the Council's 2018/19 external audit.

Decision

1) To approve the audited Annual Accounts for 2018/19.

- 2) To refer the report to Council for noting.

(References – Governance, Risk and Best Value Committee, 17 September 2019 (Item 5); joint report by the Chief Executive and the Executive Director of Resources, submitted.)

7. 2018-19 Common Good Annual Performance Report

Details were provided on the outturn position for the Common Good Fund and the performance of its cash investments for the 2018/2019 financial year. An update was also provided on the Common Good Property Planned Maintenance Fund and the plans for the 2019/20 financial year, along with the current issues affecting Common Good in Edinburgh.

Decision

To note the report.

(References – Finance and Resources Committee, 27 September 2018 (Item 9); report by the Executive Director of Resources, submitted.)

8. The City of Edinburgh Council Charitable Trusts – Report to those charged with Governance on the 2018/19 Audit

Details were provided of the External Auditor's view on matters arising from the Charitable Trusts audit in compliance with International Standard on Auditing 260. An unqualified audit opinion was issued on the Trustee's Annual Report and Accounts for 2018/19.

Decision

- 1) To approve the Trustee's Annual Report and Accounts for 2018/19 and note that these would be submitted to the External Auditor by 30 September 2019 and to the Office of the Scottish Charity Regulator (OSCR) by 31 December 2019.
- 2) To note the commentary on the management of the Charitable Trusts included in the Audit Management Report in Appendix 1 of the report.

(References – Finance and Resources Committee, 27 September 2018 (Item 8); report by Executive Director of Resources, submitted.)

9. Consultants Costs 2018/19

Details were provided of expenditure on consultants for provision of professional services during 2018/19

Decision

- 1) To note the revenue and capital expenditure incurred for provision of professional services in financial year 2018/19.
- 2) To note that revenue expenditure on consultants had decreased by £0.814m (14%) from 2017/18. The cost of engaging consultants to provide specialist and technical advice to support the Capital Investment Programme had increased by £2.772m as the Council had progressed delivery of major capital investment in

Early Years properties, School buildings, 21 Century Homes and Meadowbank Sport Centre.

(References – Finance and Resources Committee, 11 October 2018 (Item 8); report by the Executive Director of Resources, submitted.)

10. Edinburgh Boundaries Extension and Tramways Act 1920 Centennial - Funding Allocation

The Edinburgh Boundaries Extension and Tramways Act of 1920 was an important piece of legislation which led to a major expansion of the city's boundaries. Details were provided regarding a project proposal and associated costs to ensure the event could be celebrated through a series of outreach and community focused events.

Decision

To approve the cost of £10,000 to be funded from the Chief Executive's revenue budget to fund the consultancy work and funding application to Heritage Lottery Fund.

(References – City of Edinburgh Council, 20 September 2019 (Item 6); report by the Chief Executive, submitted.)

Declaration of Interests

Councillor Cameron declared a non-financial interest in the above item as a member of the steering group for the Edinburgh Boundary Extension.

Councillor Gordon declared a non-financial interest in the above item as a member of the steering group for the Edinburgh Boundary Extension.

11. Debt Restructuring - Lender Option Borrowing Option (LOBO) Loans

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 Paragraph 6 Part 1 of Schedule 7(A) of the Act.

Committee considered a report on the Council's Inverse Floating Lender Option Borrower Option (LOBO) loans.

Decision

- 1) To note the discussions which had been undertaken with Royal Bank of Scotland (RBS) / Nat West Markets.
- 2) To agree to proceed as described in the report by the Executive Director of Resources.

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

This page is intentionally left blank

Work Programme

Finance and Resources Committee

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
1.	Workforce Dashboard	December 2019		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk	All F&R Committees	
2.	63 Niddrie Mains Terrace	December 2019		Executive Director of Resources Lead Officer: Graeme McGartland 0131 529 5956 graeme.mcgartland@edinburgh.gov.uk		
3.	Parking in the Quadrangle, City Chambers	December 2019		Executive Director of Resources Lead Officer: Peter Watton / Mark Stenhouse 0131 529 5962 peter.watton@edinburgh.gov.uk / mark.stenhouse@edinburgh.gov.uk		
4.	Corstorphine Youth and Community Centre	December 2019		Executive Director of Place Lead Officer: David Cooper 0131 529 6233		

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
				david.cooper@edinburgh.gov.uk		
5.	1/2 year Revenue Monitoring Report	December 2019		Executive Director of Resources Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk		
6.	1/2 year Capital Monitoring Report	December 2019		Executive Director of Resources Lead Officer: Hugh Dunn / Rebecca Andrew 0131 469 3150/ 0131 469 3211 hugh.dunn@edinburgh.gov.uk / rebecca.andrew@edinburgh.gov.uk		
7.	Treasury Management Mid-Term Report	December 2019		Executive Director of Resources Lead Officer: Hugh Dunn / Innes Edwards 0131 469 3150 / 0131 469 6291 hugh.dunn@edinburgh.gov.uk / innes.edwards@edinburgh.gov.uk		
8.	Appointment of PMO for Granton	December 2019		Executive Director of Place Lead Officer: Elaine Scott 0131 529 6789 e.h.scott@edinburgh.gov.uk		
9.	Private Sector	December		Executive Director Communities and Families		

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
	Leasing 2020	2019		Lead Officer: Nicky Brown 0131 529 7589 nicky.brown@edinburgh.gov.uk		
10.	Care at Home (B Agenda)	December 2019		Edinburgh Health and Social Care Partnership Lead Officer: Alana Nabulsi alana.nabulsi@edinburgh.gov.uk		
11.	Edinburgh Living - Acquisition of Homes 2020/21	December 2019		Executive Director of Place Lead Officer: Tricia Hill 0131 529 3954 tricia.hill@edinburgh.gov.uk		
12.	Proposed lease extension, King's Theatre and/or proposed new lease Festival Theatre	December 2019		Executive Director of Resources Lead Officer: Brian Paton 0131 469 5228 brian.paton@edinburgh.gov.uk		
13.	Award of Legal Services Framework	December 2019		Executive Director of Resources Lead Officer: Kevin McKee / Nick Smith 0131 529 3906 / 0131 529 4377 kevin.mckee@edinburgh.gov.uk / nick.smith@edinburgh.gov.uk		

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
14.	Edinburgh International Conference Centre financial appraisal	December 2019		Executive Director of Place Lead Officer: David Cooper 0131 529 6233 david.cooper@edinburgh.gov.uk		
15.	Provisions of Registrar services	December 2019		Executive Director of Place Lead Officer: Robbie Beattie 0131 555 7980 robbie.beattie@edinburgh.gov.uk		
16.	Business Bulletin	December 2019		Executive Director of Place Lead Officer: Robbie Beattie 0131 555 7980 robbie.beattie@edinburgh.gov.uk		

Rolling Actions Log

Finance and Resources Committee

10 October 2019

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1.	12 June 2018	Provisions of Registrar Services	To agree a report would be brought back to Committee reporting on registrar provision across the city.	Executive Director of Place	December 2019		A report will be brought to the Committee for consideration at the meeting on 6 December 2019.
2.	4 December 2018	Temporary Accommodation Off-Contract Waiver	To agree that the Convener would discuss with the Housing and Economy Convener and Councillor Miller the possibility of preparing a holistic report which brought together the policy and financial elements of temporary accommodation and to decide thereafter what	Executive Director for Communities and Families	May 2019		A meeting is being arranged with the Housing and Economy Convener and Councillor Miller.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Committee would be best placed to consider it.				
3.	1 February 2019	Asset Management Strategy Transformation Programme	To agree to explore the options and opportunities available for sponsorship of Council buildings and feedback to Committee as appropriate.	Executive Director of Resources	January 2020		<p>An update report on the draft Council Advertising and Sponsorship Policy was submitted to the Corporate Policy and Strategy Committee in May 2019. The opportunities for sponsorship of Council Buildings will need to be aligned to this policy, when it is approved. A revised closure date will be advised to the Committee accordingly.</p> <p><u>Update</u></p> <p>The proposed policy was considered and approved by the Policy and Sustainability Committee on 6th August 2019. The</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>implications arising from this will be included in the next quarterly Asset Management Strategy update to Committee.</p> <p><u>Update September 2019</u></p> <p>The next Asset Management Strategy Update Report is due to Committee in January 2020 and these actions will be covered within this report.</p>
4.	1 February 2019	Feedback on the Change Strategy and Budget Proposals 2018	To request that details of best practice and the methodology which sat behind the respondents to the engagement document be provided in future reports.	Chief Executive	August 2019		<p>Additional information about the process behind each engagement method was included in the report on engagement which was considered at Full Council on 21 February 2019. A report will also be going to the Corporate, Policy and</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							Strategy Committee seeking approval for proposals for ongoing engagement on the Council's change and budget processes. This report will provide information on best practice in this area.
5.	14 March 2019 (Full Council)	Motion by Councillor Watt – Funding of Temporary Accommodation for Homeless People (see agenda of 14 March 2019)	Calls for a report to be submitted to Finance & Resources Committee, within four cycles, which sets out a business case for a model of temporary accommodation for people with low support needs. This should include options for investment in council owned property and consideration of shared housing. The report should explore what role the model could	Executive Director of Resources Executive Director for Communities and Families	6 December 2019		A report will be brought to Committee in December 2019.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			play within our RRTP, demonstrate how this could work and analyse the impact on existing business models.				
6.	30 January 2019 (action remitted from the North West Locality Committee March 2019)	Business Bulletin – Review of Janitorial Services in Community Centres and Schools	To request that training for management committees, as a result of taking on any additional duties, be picked up as part of the six monthly review of the Service Level Agreement for janitorial services.	Executive Director of Resources	January 2020		Will be included as part of the Asset Management Strategy update reports to Committee. <u>Update September 2019</u> The next Asset Management Strategy Update Report is due to Committee in January 2020 and these actions will be covered within this report.
7.	23 May 2019	Motion by Councillor Burgess – Cameron House Community Centre	Therefore, calls for a report on these issues, including detailing the background to the	Chief Executive	September 2019	September 2019	<u>Recommended for closure</u> A report was considered an approved by the

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		(see agenda of 23 May 2019)	reason for these requests.				Committee on 26 September 2019.
8	15 August 2019	Treasury Management: Annual Report 2018/19	To agree that a report will come back to the Finance and Resources Committee following the conclusion of discussions with RBS and Natwest in relation to LOBOs at appropriate point.	Executive Director of Resources	26 September 2019	26 September 2019	<u>Recommended for closure</u> Report considered at Finance and Resources Committee meeting of 26.09.19
9	15 August 2019	Revenue Monitoring 2019/20 Period Three Report	1) To agree that the Executive Director of Place would provide further information regarding Place Management Savings. 2) To agree that the Head of Finance would provide a briefing note containing a list of savings that were rejected by the	Executive Director of Place Executive Director of Resources	As soon as possible		<u>2) Recommended for closure</u> Briefing note sent 25.09.19

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Council's Administration to Committee members				A briefing note is being prepared for circulation to Committee Members
10	15 August 2019	Corstorphine Youth and Community Centre	<p>1) To instruct officers to use their best endeavours to work with the CCC to continue to identify all possible funding solutions including consideration in the capital spending review to be considered by committee in December 2019.</p> <p>2) To request a report on the CCC business plan and the financial proposals for its</p>	Executive Director of Place	December 2019		<p><u>1) Recommended for closure</u></p> <p>A meeting was held with Officers and CCC on 26 August 2019.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>December 2019 meeting.</p> <p>3) To instruct officers to provide a letter of comfort to the CCC and funders as appropriate.</p>		August 2019		<p>3) Closed</p> <p>A letter of comfort sent 28 August 2019</p>
11	15 August	Proposed New Lease, St Brides Community Centre, 10 Orwell Terrace, Edinburgh	1) To request that the report is continued and is brought back to Committee in one cycle containing further information in connection with the proposed lease of St Brides Community Centre to explain 1. The added benefits to the Council and to the community, and any other reasons, that	Executive Director of Resources	October 2019		<p><u>Update September 2019</u></p> <p>A Report on Community Centres is scheduled for October Committee; this will include detail in response to this action.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>justify the Council's commitment to pay for all the running costs of this Community Centre compared to other community centres where there is no contribution to such costs; and 2. The financial benefits, if any, that may accrue to St Brides Community Centre either directly or indirectly from the five year sub lease to the EJBF.</p> <p>2) To note that a report was coming before Committee detailing the roles, remits, costs etc. of Community Centres across the city.</p>				
12	15 August 2019	Lease for Drylaw Neighbourhood Centre, Groathill	To agree to continue the report and that the Lease for Drylaw	Executive Director of Resources	October 2019		<u>Update September 2019</u>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		Road North, Edinburgh	Neighbourhood Centre would be incorporated in to the wider report on Community Centres.				A Report on Community Centres is scheduled for October Committee; this will include detail in response to this action.
13	04.08.15	Common Good Assets Register	<p>1) To note that further reports would be brought to Committee:</p> <p>a) once Scottish Ministers' guidance about common good registers had been issued; and</p> <p>b) to consider the implications arising from compliance with the Land Registration (Scotland) Act 2012.</p> <p>2) To note that the common good</p>	Executive Director of Resources	December 2018	26 September 2019	<p>Recommended for closure</p> <p>Transferred from Policy and Sustainability Committee - The Common Good Asset Register was considered by the Finance and Resources Committee in September 2019 as part of the Common Good Annual Performance Report</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			definition in Section 3 of the report by the Acting Director of Services for Communities was not intended to be exclusive and that there would be clarification of the definition with the next report to Committee.				

This page is intentionally left blank



Business bulletin

Finance and Resources Committee

10.00am, Thursday 10 October 2019

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

Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Cllr Alasdair Rankin</p>  <p>Vice – Convener Cllr Lezley Cameron</p> 	<p>Councillor Gordon Councillor Munn Councillor Bruce Councillor Hutchison Councillor Johnston Councillor Watt Councillor Booth Councillor Corbett Councillor Neil Ross</p>	<p>Veronica MacMillan Tel: 0131 529 4283</p> <p>Mark Hare Service Policy Advisor Tel: 0131 469 3212</p>

Recent news	Background
<p>Annual Efficiency Statement, 2018/19</p> <p>Scottish Ministers expect all public bodies to deliver efficiency savings equal to at least 3% of net expenditure on an annual basis. Efficiencies are defined as savings where the output, or outcome, has been maintained with a lower cash-terms level of input (cashable) or where a greater output, or outcome, is achieved without a corresponding increase in inputs (non-cashable). COSLA collates the statements on behalf of all of its member authorities and reports these to the Cabinet Secretary for Finance, Economy and Fair Work.</p> <p>The Council's Efficiency Statement for 2018/19 was submitted to COSLA in August and set out total efficiencies to a value of £26.2m, including further significant savings across procurement, additional income through increasing the five-year Council Tax collection rate and a range of other process efficiencies. At 2.72%, the total savings identified were slightly short of the 3% target which reflects the well-documented challenges in delivering savings year-on-year. The savings bring the total efficiencies reported since 2006/07 to around £375m.</p>	<p>Hugh Dunn, Head of Finance Tel: 0131 469 3150</p>

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2018-19

1	Local Authority Name	The City of Edinburgh Council
2	Total cash efficiency achieved for 2018-19 £'000	£26,210
3	<p>Summary of efficiency activity e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>During 2018/19, the Council consolidated the benefits realised through its former Transformation Programme. Against a continuing context of increases in demand for services and reducing resources, however, it has been widely acknowledged that a “salami-slicing” approach to budgeting, doing things in the way that they have always been done, is not sustainable. There is a need to place much greater focus on policy led prioritisation of resources by elected members and the necessary change and reform of services, informed by insights gained from active engagement with citizens, service users and communities. The Council’s Change Strategy has therefore identified three key themes of (i) providing high-quality affordable services at the right level, (ii) moving Edinburgh to a radical preventative agenda and (iii) achieving sustainable inclusive growth, to improve services whilst securing longer-term financial sustainability.</p> <p>Analysis of the performance of Council services was appraised through monitoring progress against the outcomes set out in the Council’s Business Plan and Edinburgh Partnership Community Plan. During 2018/19, an enhanced approach to performance reporting was developed which continues to measure performance with numerical indicators but provides elected members and citizens with a more rounded and wider view of performance. KPIs remain an important part of performance reporting and the suite was widened in 2018/19 from 60 to over 80. An annual performance report was considered by Council in June 2019. A six-monthly performance update is considered the Policy and Sustainability Committee. KPIs are scrutinised by the Corporate Leadership Team quarterly.</p> <p>Through the Edinburgh Integration Joint Board (EIJB), the Council continued to work in partnership with NHS Lothian to develop health and social care services to achieve better user outcomes and shift the balance of care from acute services to community-based provision.</p>
4	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</p> <p>(only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = 3,978</p> <p>Shared Services = 2,739</p> <p>Asset Management = 1,961</p>
5	<p>Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?</p>	<p>Relevant evidence includes:</p> <ul style="list-style-type: none"> • External assessments/inspections and the resulting improvement plans, including Council’s Best Value Audit report 2016, Annual Audit Report, Assurance and Improvement Plan, and the work of Education Scotland; • Accreditation visits and resulting improvement plans, including RoSPA Gold Award and maintaining ISO accreditations; • Regular (and year-end) thematic monitoring of key performance indicators including Local Government Benchmarking Framework, the Council Performance report, intelligence gathered through membership of networks such as APSE, Quality Scotland and wider Council outcomes/commitments considered by services and CLT and scrutinised by Executive Committees; and • Internal and external surveys, including The Edinburgh People Survey.

Signed (Chief Executive or equivalent)

Signed (if applicable) (Council Leader or equivalent)

Date

This page is intentionally left blank

Finance and Resources Committee

10am, Thursday, 10 October 2019

Council Change Strategy: Planning for Change and Delivering Services 2019-23

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
- 1.1.1 Endorse the adoption of addressing poverty and sustainability as the policy priorities which will provide a focus for development of the Council's budget for 2020-23;
 - 1.1.2 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;
 - 1.1.3 Note that a further report will be presented to the Committee in January setting out the implications for the Council of the provisional Local Government Finance Settlement over the period of the budget framework; and
 - 1.1.4 Agree that the Council utilises current engagement material and the IIA process to inform its budget decisions and looks for further citizen feedback on those specific proposals which are new or have not been publicly discussed in previous years.

Andrew Kerr
Chief Executive

Contact: Laurence Rockey, Head of
Strategy and Communications

E-mail: laurence.rockey@edinburgh.gov.uk
| Tel: 0131 469 3493

Stephen S Moir
Executive Director of Resources

Contact: Hugh Dunn, Head of Finance

E-mail: hugh.dunn@edinburgh.gov.uk
| Tel: 0131 469 3150

Council Change Strategy: Planning for Change and Delivering Services 2019-23

2. Executive Summary

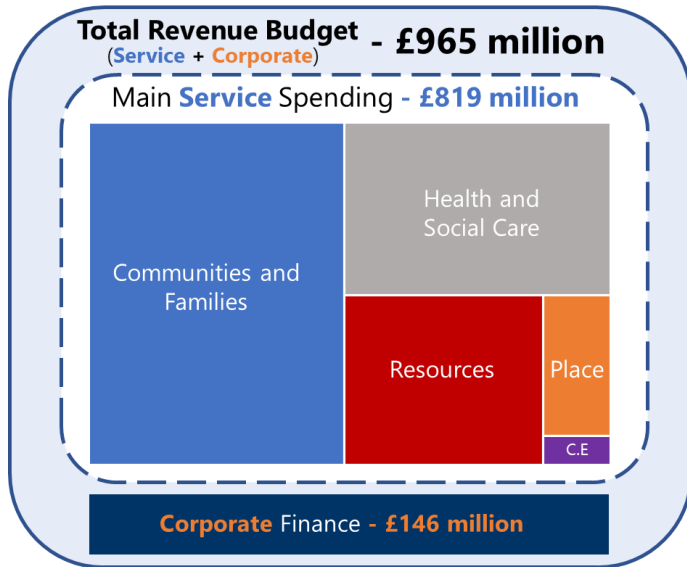
- 2.1 This report updates the Committee on progress in developing the evolving four-year change strategy with specific discussion on the budget-setting approach for 2020/21.
- 2.2 Set out in the report are the indicative consequences from UK Government announcements in September 2019 which are subject to ongoing political and financial uncertainty associated with a potential general election, Brexit and one-year spending review.
- 2.3 The report advises members 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.
- 2.4 The report also details the intention to set a policy-based budget through the lenses of poverty and sustainability with key messages for this year's budget approach linked to these important issues.
- 2.5 Initial engagement feedback is described within the report with a full report to follow at the Finance and Resources Committee in December. The Committee is asked to consider its approach to further budgetary consultation/engagement given the financial and political uncertainty and the challenging timelines expected for budget decisions to be taken.

3. Background

- 3.1 On 1 February 2019, members of the Finance and Resources Committee approved the publication of the Council's Change Strategy which sets out a programme of change, agreeing that it would be an evolving document. The strategy set out an ambitious direction of travel with three key objectives, these are:
 - driving improvements to deliver the high-quality services that our citizens expect and deserve;
 - targeting investment on prevention and early intervention to reduce long-term reliance on our services and allow citizens to lead active, independent lives; and
 - growing the city in a way that is sustainable and inclusive.

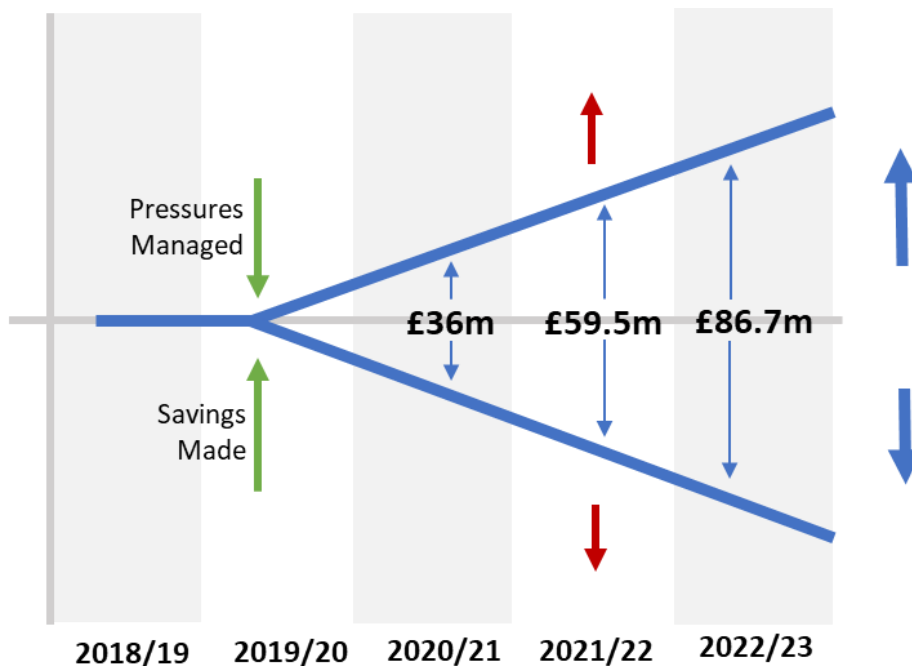
3.2 This year sees the continuation of the work required to build the strategy and looks to refine the three key objectives set out above into an outcome-based approach to budgeting which prioritises poverty, sustainability and well-being outcomes. This prioritisation reflects statutory and political targets that impact the Council.

3.3 A breakdown of the overall Council net budget in 2019/20 is illustrated within the diagram below:



- the main service spend is £819m and is divided among five areas of the Council.
- The decisions on how much is allocated to each area are within the Council's control.
- The Health and Social Care budget is agreed by the Edinburgh Integration Joint Board.

3.4 The chart below illustrates the residual incremental gap based on updated assumptions this year for the remaining three-year period. The sums shown are expressed net of savings approved for delivery as part of previous years' budgets.



4. Main report

Current context

- 4.1 The Council continues to operate and deliver services in a challenging context, with the combined influences of demographic-led demand, inflationary pressures and legislative reform impacting on its budget, all against a backdrop of reducing core grant funding.
- 4.2 On 4 September 2019, the UK Government announced one-year “spending plans” which confirmed the provision of £1.2bn of additional funding to Scotland in 2020/21. Within this, the UK Government made a significant commitment to health care spending which it is anticipated the Scottish Government will mirror. This is expected to account for a significant portion of the additional resources meaning that the Scottish Government will need to make decisions about the relative prioritisation of the remaining resources as it has in previous years.
- 4.3 The Scottish Draft Budget Announcement is not expected before 12 December 2019. The uncertainty around Brexit and the potential for a further UK election could have implications for the financial planning assumptions of the UK Government and the Scottish Government. As such, the figures set out in this report will only be indicative.
- 4.4 If previous years’ timings are retained, the Council would then expect to receive its indicative grant funding allocation for 2020/21 around a week later.

Medium-term review of financial framework assumptions

- 4.5 The principal expenditure and income factors contained within the Council’s financial framework are subject to at-least six-monthly review. A detailed commentary on the outcome of this latest review is included as Appendix 1 and points to a continuing need to deliver significant savings (summarised in Paragraph 4.14 below) for expenditure and available income to be maintained in balance.

Current year budget monitoring update

- 4.6 At the Finance and Resources Committee’s meeting on 15 August 2019, members considered an in-year update on the Council’s revenue budget. Taking account of anticipated savings delivery and management of service pressures, a projected year-end overspend of £5.4m was set out, expressed net of a one-off contribution of £6m from the Council Priorities Fund. Whilst approving the report’s recommendations, in view of the continuing unbalanced position, it was noted that a further progress update would be provided to this meeting.

Service projections

- 4.7 While work involving Finance, Executive Directors and Heads of Service geared towards mitigating this level of net pressure has continued, the risk-adjusted forecast service outturn remains essentially unchanged. This position reflects the net impact of an improved delivery assessment across service-specific proposals, offset by an increased anticipated shortfall against Council-wide efficiency savings and greater

underlying service pressures within, in particular, the Schools and Lifelong Learning service. The year-end projection also continues to assume attainment of a balanced position for the EIJB, significant further required actions for which remain to be implemented.

Non-Directorate budgets

- 4.8 The Council's Treasury team is reviewing the loans fund, including debt restructuring and assessments of asset lives, to determine whether further savings in this area can be achieved, with a response from its treasury advisors anticipated shortly. While this offers the potential for in-year savings beyond those currently being assumed, any reprofiling will require to form part of a sustainable strategy agreed with the external auditor (potentially involving a need for additional revenue and/or capital expenditure, consistent with the assumed asset lives) and will not avoid the need for much more difficult decisions about the Council's priority outcomes in the current and future years.
- 4.9 Members may be aware that the Scottish Government operates a Business Rates Incentivisation Scheme (BRIS), under which local authorities retain 50% of the additional income generated in excess of targets set with reference to past increases in their local non-domestic rates tax bases. On 1 October 2019, the Scottish Government confirmed payments in respect of the 2017/18 scheme year and Edinburgh was one of ten authorities to receive an incentivisation payment. This one-off payment of £0.387m is therefore available to offset wider pressures in the current year.
- 4.10 At the Committee's meeting on 15 August 2019, members received the annual report on the final year of operation of the Carbon Reduction Commitment (CRC) energy efficiency scheme. As set out in that report, ending of the CRC will be accompanied by a corresponding increase in Climate Change Levy (CCL) payments. There will, however, be a reduction of £0.5m in the Council's combined CCL and CRC liability in 2019/20, with this sum similarly available to offset in-year pressures.
- 4.11 Taking into account the BRIS- and CRC-related savings above, the projected Council-wide overspend in 2019/20 has reduced by around £0.9m to £4.5m. In view of the continuing unbalanced position, however, Executive Directors and their Heads of Service have been tasked by the Chief Executive with continuing to examine all opportunities to control and contain expenditure within budgeted levels in 2019/20 and to identify recurring measures such that the underlying structural deficit (in turn linked to service pressures and savings delivery shortfalls) is addressed in full.

Implications of current year's projection for budget framework, 2020/21 – 2022/23

- 4.12 Given that the additional in-year mitigating measures identified above are assumed to be non-recurring, at this stage the budget framework incorporates an assumed requirement in 2020/21 to identify an additional £11.4m of recurring savings measures. This requirement could increase as some of the measures being taken to contain expenditure are viewed as one-off.

4.13 Recent years' budget processes have seen a range of pressures emerge primarily due to legislative reform, including the introduction of the Apprenticeship Levy in April 2017 and increases in teachers' superannuation contribution rates in September 2019. In order to provide an element of contingency against the emergence of similar pressures in the future, it is proposed to introduce sums of £3m in the first two years of the framework, with £5m included in year three (2022/23) to cover risks of movement in key budget assumptions over this longer timeframe.

Summarised position

4.14 On the basis of the assumptions outlined in Appendix 1 and the need for further savings to be identified both to address, on a recurring basis, the underlying current-year shortfall and to provide an element of contingency against future-year risks, the incremental savings requirements for the next three years are as shown below. Given recent years' trends in actual savings delivery, however, it is likely that proposals to a higher value than those shown will be required, with the quantum of these additional proposals informed by an initial assessment of the options brought forward.

	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Estimated incremental in-year savings requirement as reported to Finance and Resources Committee, March 2019	29.6	26.2	28.5	84.3
Contingency for investment/pressures	3.0	3.0	5.0	11.0
Estimated incremental in-year savings requirement, including contingency	32.6	29.2	33.5	95.3
Additional sustainable savings required to offset projected 2019/20 deficit	11.4	-	-	11.4
Revised estimated incremental in-year savings requirement	44.0	29.2	33.5	106.7
Savings agreed as part of Change Strategy, 2019-2023	(7.0)	(4.7)	(5.3)	(17.0)
Continuation of RPI+2% increase for discretionary fees and charges	(1.0)	(1.0)	(1.0)	(3.0)
Residual Incremental Gap	36.0	23.5	27.2	86.7

4.15 As noted in the Capital Strategy report elsewhere on today's agenda, delivery of a range of capital priorities, including release of the Council's contribution to the Wave 4 schools programme included within the above projections, depends upon the attainment of a balanced revenue budget over the medium to long-term. Several further capital priorities, including a Gaelic Medium Secondary Education

establishment, City Centre Transformation and the City Mobility Strategy, will be subject to separate consideration.

Other unfunded revenue budget priorities

- 4.16 The Executive Director of Communities and Families and the Edinburgh Health and Social Care Partnership are looking to replace SWIFT/AIS with a new case management solution that will primarily be used across the Children's Services, Adult Services and Community Justice Teams. A final business case is being prepared, including detailed options and costs, for consideration by the Corporate Leadership Team in mid to late October. An indicative implementation cost of £8m, split over two years 2020/21 and 2021/22, has been identified, with estimated on-going annual support costs of £0.5m.

Service prioritisation

- 4.17 Since 2012/13, the Council has delivered over £300m of savings, equivalent to almost a third of its budget, through redesigning services, transforming procurement practices, increasing income and sharing functions internally and with partner organisations. After successive years' savings of this magnitude, however, there is a limit to the level of further savings that can be delivered without impacting on frontline services.
- 4.18 The resultant need for councils to set clear priorities, identify associated desired outcomes and invest their resources accordingly, all whilst working effectively with partners, was highlighted in Audit Scotland's recent [Challenges and Performance](#) national report. This prioritisation will need to be achieved through targeting, reducing or stopping outright some existing services. Such is the scale of the challenge, however, that it is likely that all service areas will need to contribute and, in that sense, for protection to be relative rather than absolute in addressing, on a sustainable basis, the unaffordability of the Council's current activity.

Continuing the strategic approach to budget setting through the Change Strategy

- 4.19 The Change Strategy continues to provide a framework for significant change over a three-year period while recognising the essential requirement for the organisation to balance its budget each year. The core message of the overarching Change Strategy has been:

"A thriving and united city in which all residents can share in its success."

Edinburgh is one of the best cities in the world in which to live, work and study. We live in a city full of vibrancy and opportunity and, as a council, we are working hard to ensure that all residents can share in its success. We will keep investing in the things that support and sustain growth while confronting the challenges that come with it.

- 4.20 Adoption of a longer-term strategy is vital to delivering on key Council priorities and maintaining investment in the right areas. Continuing to develop a longer-term strategy allows dependencies across the organisation to be understood and planned for and communicated pro-actively to key stakeholders and citizens.

- 4.21 The strategy and specific proposals for change are continuing to evolve as they build on feedback from staff and citizens and consider key targets and goals the organisation is striving to achieve. Poverty, Sustainability and Well-being are emerging as the priority policies which need to shape thinking around the Council budget-setting process moving forward.
- 4.22 The Council is required by legislation to end child poverty by 2030 and is working to make changes through the Poverty Commission and the Council Child poverty unit. The Climate Emergency has also led to the Council setting a target to be carbon-neutral by 2030 within a legal context for Scotland being carbon-neutral by 2045. Poverty and sustainability are also core themes of the 52 Council Commitments and are reflected in much of the work of this organisation. Explicitly adopting these policy priorities as a focus for the development of the Council's budget is a helpful development of the change strategy.
- 4.23 In practice this will mean resources, investment and service redesign proposals will be focused on outcomes which deliver to these priorities. It does not mean that any service is exempt from seeking efficiencies and considering ways in which it can improve. This will also include more difficult consideration of whether and how to adjust provision in areas that may not directly impact on these outcomes while being cognisant of the Council's statutory responsibilities.

Key messages

- 4.24 Communications around the budget will be clear that:
- 'The Council budget will seek to improve the well-being of all citizens and ensure Edinburgh is a thriving, fair and sustainable city by prioritising decisions that have a positive impact on poverty and sustainability.'*
- 4.25 The budget will also continue to protect and evolve services connected to these policy priorities, while focusing on delivery of high-quality core services in the most efficient way possible.
- 4.26 The context continues to be challenging for local authorities across Scotland and it will require difficult decisions to be taken where services do not meet the policy priorities and or ambitious targets set out by this organisation that best meet the needs of Edinburgh citizens.

Summary of known engagement responses

- 4.27 Feedback from the first year of the Change Strategy indicated that all stakeholders wanted to be more involved in suggesting changes and in the development of future proposals. Trade Unions asked for a commitment around staff engagement much earlier in the process.
- 4.28 To respond to this feedback, the Council has made a significant commitment to engaging with colleagues on its budget and to ensure that more stakeholders feel informed and able to influence change initiatives – an area for improvement also highlighted by the 2018 Colleague Survey. As a result, citizen and colleague engagement was launched earlier this year in July to bring feedback into the change

process earlier in the political decision-making process. This engagement has focused on asking, “How would you spend £1 billion on Council services? What Council services would you prioritise where you live and citywide?” to inform both the spending and savings prioritisation within the budget process.

- 4.29 The Council intends to conduct several resident focus sessions and staff sessions up to the end of October 2019. It is intended to engage with approximately 500 colleagues and residents over this period ensuring the sessions are representative of our communities. The final results of the engagement process will be reported to Finance and Resources Committee on 6 December 2019.
- 4.30 So far, the Council has conducted 36 workshops and focus groups, involving residents and colleagues, in in-depth discussions about their ideas and priorities. Resident sessions have included activities at schools and sheltered housing schemes to include those least likely to have been involved in budget discussions in previous years. Colleague sessions have been led by Heads of Service talking to their own teams and facilitated by Strategy and Communications.
- 4.31 Detailed feedback from each session is being communicated to Heads of Service who are considering it when developing and evolving proposals for political consideration over the coming months. This way stakeholders will see they have contributed to the process much earlier than in previous years, which alongside the previous engagement should all build a narrative for elected members to develop and steer as appropriate.

Outline of when and how the Council could further consult/engage

- 4.32 The Council has specific legal commitments in respect of community empowerment and public consultation which govern when the Council must consult with citizens. Consultation on the Council budget-setting process is not a statutory requirement. However, this Council has for several years endeavoured to involve citizens in decisions about its spending priorities and as far as possible, to consult on savings proposals.
- 4.33 The national budget-setting process has however, over recent years, regularly been delayed and reduced the Council’s capacity to give citizens a reasonable opportunity to consider proposals put before them. In effect the Council has been unable to consult to good practice standards and has instead provided opportunities for citizens to engage. Unless there is sufficient time to consult to good practice standards (12 weeks) budget proposals that have a material impact on citizens’ lives would require a subsequent dedicated consultation.
- 4.34 The Council engagement process for the last three years has also sought citizens’ views about their long-term spending priorities to inform the Council’s budget-setting. Given that this is the case, and in light of the challenging deadlines for budget-setting described in this report, elected members could reasonably choose not to have a second engagement process on the specific savings proposals. To reiterate, where proposals were likely to have a material impact on citizens’ lives, a subsequent process would still be necessary.

4.35 In summary, good consultation standards recommend that consultation takes place over a period of 12 weeks. It will be impossible to fulfil these standards and to meaningfully consult in the timeframe laid out. At the same time, the Council will receive a report detailing colleague and citizen input on council spending priorities which have been undertaken over the last three months. The Council will also conduct Integrated Impact Assessments for each relevant savings proposal. It is therefore recommended that unless the expected timeframes change, the Council relies on this material to make its budget decisions on the understanding that issues with a material impact will be addressed in subsequent consultations.

Outline of key dates to February 2020 budget-setting and the overall approach which will be taken to make the decisions required to set the budget

- 4.36 Building from the engagement conducted from August to October 2019, specific proposals will be developed on which services to prioritise for change and which to protect. During the period from this report to the beginning of December proposals will be detailed so that the scalability, phasing and key stakeholders can be understood.
- 4.37 Once the Scottish Local Government Finance settlement has been outlined on or around 12 December 2019, a decision will be made on which proposals would form the basis on any engagement prior to budget-setting in February 2020.
- 4.38 This approach is recommended due to the level of political uncertainty nationally; knowing the detail of the Scottish Local Government Finance settlement will allow for the Council to plan how and which changes will need to happen in what timeframe. This will allow the organisation to react appropriately to the budget consequences set out in this announcement.

5. Next Steps

- 5.1 Specific options for change to meet the remaining three-year savings gap will be identified and developed for consideration by Committee following the Scottish Government spending announcement. These will include the integrated impact assessments.
- 5.2 Given the continuing unbalanced position in respect of the current year's revenue budget and the need to develop, as a matter of urgency, corresponding mitigating actions to bring expenditure back towards approved levels, a further update will be provided to the Committee's meeting on 6 December 2019.

6. Financial impact

- 6.1 The report re-emphasises the importance of proactive management of service pressures and delivery of approved savings. In view of the latest current-year assessment, however, further measures will require to be implemented during the year if the integrity of the framework is to be maintained.
- 6.2 The Council is required by legislation to set Council Tax rates for the following financial year by 11 March. Implicit within this requirement is agreement of specific

expenditure and savings plans, such that combined grant funding, Council Tax and fees and charges income meet expected expenditure obligations. After successive years' expenditure reductions, this is likely to require increasingly-difficult decisions on service prioritisation.

7. Stakeholder/Community Impact

- 7.1 Engagement has taken place with staff and citizens prior to the development of the content of this report and the outcome of the engagement will be reported to Finance and Resources Committee in December and used in the development of proposals for consideration by the Committee in January.
- 7.2 All budget proposals are assessed as to whether they will impact citizens with protected characteristics and require an integrated impact assessment. Feedback received as part of the budget engagement and relevant subject area consultations also allows for equalities-related impacts to be highlighted by service users and taken on board in the implementation of proposals.

8. Background reading/external references

- 8.1 [Performance Report](#), Edinburgh Integration Joint Board, 20 August 2019
 - 8.2 [Revenue Monitoring 2019/20 – Period Three Report](#), Finance and Resources Committee, 15 August 2019
 - 8.3 [Carbon Reduction Commitment \(CRC\) Annual Report](#), Finance and Resources Committee, 15 August 2019
 - 8.4 [Finance Update](#), Edinburgh Integration Joint Board, 21 June 2019
 - 8.5 [Revenue Budget Framework 2019/24 – progress update](#), Finance and Resources Committee, 23 May 2019
 - 8.6 [2019/20 Financial Plan](#), Edinburgh Integration Joint Board, 29 March 2019
 - 8.7 [Performance Report](#), Edinburgh Integration Joint Board, 29 March 2019
 - 8.8 [Revenue Budget Framework 2019/23 – Progress Update](#), Finance and Resources Committee, 7 March 2019
 - 8.9 [Coalition Budget Motion](#), City of Edinburgh Council, 21 February 2019
 - 8.10 [Feedback on the Change Strategy and Budget Proposals, 2018 and 2019](#), The City of Edinburgh Council, 21 February 2019
 - 8.11 [Council Change Strategy: Planning for Change and Delivering Services 2019-2023](#), Finance and Resources Committee, 1 February 2019
 - 8.12 [Council Change Strategy – Risks and Reserves 2019-2023](#), Finance and Resources Committee, 1 February 2019
- [Local Government in Scotland: Challenges and Performance 2019](#), Accounts Commission

9. Appendices

Appendix One – Review of principal income and expenditure assumptions within the budget framework

Appendix Two – Previously-approved savings for delivery in 2020/21 to 2022/23

Review of principal income and expenditure assumptions within the budget framework

Expenditure factors

Demographic provision

1. Increases in demographic-related demand impact upon the Council's need to spend in a number of ways. Within Communities and Families, increasing school pupil rolls¹, alongside growth in the number of pupils with additional support needs or young people who are at risk, place additional calls on the budget framework. Within the Place Directorate, additional annual funding is made available to reflect growth in overall property numbers and the consequent increases in waste collection, disposal and recycling costs. A small incremental annual sum is also provided to the Resources Directorate to recognise the impact of increasing school rolls on the cost of school meal provision. The estimates for the financial impact of these factors are subject to on-going review based on available population projections, needs assessment indicators and other relevant factors.

Pupil rolls

2. The period three in-year revenue monitoring report considered by the Committee on 15 August 2019 proposed allocating £2m, on a recurring basis, from the inflation-linked provisions contained within the budget framework to address the current level of demographic pressures affecting the Communities and Families Directorate. Extrapolation of the likely costs resulting from projected increases in pupil rolls over the period to 2022/23 suggests a continuing need for additional funding over and above that previously provided. While the precise level of provision required will be reviewed in light of updated pupil roll projections due to be published in December 2019, at this stage an additional annual £1m allocation is proposed, increasing incremental provision over the period from 2020/21 to 2022/23 to £3.862m/£3.548m/ £3.548m respectively. As this sum is being earmarked from within an existing inflation-linked provision, however, there is no corresponding impact on the incremental or cumulative Council-wide savings requirement.

Health and Social Care

3. In recent years, the Local Government Finance Settlement has provided significant additional funding for Health and Social Care services, reflecting a combination of increasing service demand and delivery of related policy commitments, including on-going financial support for payment of the Living Wage by both voluntary and private adult care providers and expansion of

¹ Actual pupil roll numbers for 2018/19 and projected rolls for 2019/20 indicate a combined overall requirement for 25 additional primary classes since the 2017/18 academic year. Over the same period, the secondary school pupil roll has increased by over 1,000. Looking forward, while primary pupil rolls are expected to grow more modestly, secondary rolls are projected to increase by almost 22% (some 4,300 pupils) between 2019 and 2025.

free personal care to include those under the age of 65. On this basis, the budget framework now assumes that this policy of the provision of additional Scottish Government funding to reflect increasing underlying service demand will continue. This is consistent with the adjusted grant funding projections currently included within the framework and, as such, there is again no impact on the incremental annual Council-wide savings requirement.

4. The most recent performance update to the Edinburgh Integration Joint Board (EIJB) on 20 August 2019 reported the position at June 2019 and continued to evidence improvement across a number of areas as shown below:

	September 2018	June 2019
Total individuals waiting for assessment	1,749	1,450
% of assessments outwith standard priority timescales (14 days Priority A, 28 days Priority B)	52.3%	44.8%
Delayed discharge total	271	162
Waiting in community for a package of care	720	326
Individuals waiting in hospital for a package of care	129	38

5. The improvements are related to the delivery of significant increases in care at home capacity through the Sustainable Community Support (SCS) Programme. A key objective of SCS was delivery of a reduction in hospital delayed discharges. The Information Services Division of NHS Scotland estimates that the cost of delayed discharges to NHS Scotland in 2017/18 was £122m with an estimated average bed day cost of £248. On this basis, the estimated value to NHS Lothian of a sustained improvement of 109 in delayed discharge numbers would be c. £10m.
6. NHS Lothian committed £4m to support the Sustainable Community Support Programme and the EIJB Chief Officer and Chief Financial Officer are in discussion with NHS Lothian to seek recurring investment to support sustained performance improvement.
7. Active monitoring of these key indicators will continue. It is proposed, however, that release of the £2.5m Council contribution approved as part of the Council's 2019/20 budget now be confirmed as a recurring contribution within the medium-term budget framework for 2020/21 to 2022/23 in support of sustained performance improvement.
8. While continuing to provide an additional £160 million of health and social care investment across Scotland, as part of the Stage One Parliamentary

Debate on the 2019/20 Scottish Draft Budget, the Cabinet Secretary for Finance, Economy and Fair Work introduced flexibilities allowing local authorities to apply savings targets of up to 2.2% against their baseline IJB allocations (equivalent to £50 million across all local authorities), prior to passing on this additional funding, to help them address wider savings requirements. Although this available flexibility was not reflected in the Council's 2019/20 offer to the EIJB, continuation of the Scottish Government's broad policy would provide an opportunity to apply an annual savings target of up to £4.8m based on current service expenditure, prior to passing on relevant additional monies included within the Local Government Finance Settlement.

Employee pay awards

9. Previous reports have highlighted the sensitivity of the Council's budget to changes in the level of employee pay award; each 1% increase adds £5.7m to its overall expenditure. Following the agreement of three-year pay settlements for both teaching and non-teaching staff earlier in 2019, the budget framework reflects the confirmed uplift of 3% for 2020/21. At this stage, incremental 3% annual uplifts are assumed thereafter, with the appropriateness of this assumption kept under review in light of wider economic forecasts and agreements for comparable staff groups.

Other inflationary uplifts

10. While the pay award is the most material in terms of value, a number of other aspects of the Council's expenditure are also subject to general or specific inflation-linked indices, including many higher-value contracts, non-domestic rates and energy. Incremental annual provision of 3% has been made across all years of the framework for these costs, although this assumption will be regularly reviewed, taking due account of general trends and forecasts for relevant indices.

Income factors – Government Grant Funding

11. Funding from General Revenue Grant (including Non-Domestic Rates) and Council Tax accounts for around 90% of the Council's overall income and thus even relatively small changes in these factors have a material impact on the overall savings requirement. By means of illustration, every 1% increase in Council Tax generates £2.9m of income, with every 1% change in grant funding equating to a movement of £7m.
12. As part of the changes introduced as part of the Stage One Parliamentary Debate on the 2019/20 Scottish Draft Budget, the Cabinet Secretary intimated an intention to return to three-year revenue and capital settlements for Local Government with effect from 2020/21, a commitment reiterated within the Scottish Government's [Medium-Term Financial Strategy](#) published in May 2019. There are, however, a number of potential dependencies to achieving this aim.

13. The UK Government issued a one-year “spending plans” announcement on 4 September 2019, confirming the provision of some £1.2bn of additional funding for Scotland in 2020/21 (equating to year-on-year real-terms growth of 2.1%). In the absence of supporting information on economic and fiscal forecasts expected to be published later in the autumn, however, insufficient clarity has been provided at this stage to inform the more detailed budget projections required to set a Scottish Budget. This issue of timing aside, under the terms of devolution, the Scottish Government is not bound to allocate funding to those some areas that triggered the Barnett Consequentials. It is likely, however, that the Scottish Government will at least match, on a pro-rated basis, the level of increased health spend in England and thus allocate a significant element of the above-mentioned funding accordingly.
14. Given the dependency on the timing of the UK Budget, at this stage no specific date has been set for the Scottish Draft Budget announcement. It is the Scottish Government’s intention, however, to issue a draft Scottish Budget for 2020/21 by Thursday, 12 December 2019, with council-specific figures then released early the following week. If a three-year settlement is issued, later years’ revenue figures will be indicative only and not confirmed until after the Council has set its budget in February.
15. The amount of funding included within the Local Government Finance Settlement depends upon the complex interaction of the spending, taxation policies and relative priorities of both the UK and Scottish Governments. This funding quantum is then distributed amongst local authorities according to a complex needs assessment process, with the floor calculation smoothing out the impact of significant year-on-year changes. While, as in recent years, it is likely that the Council will benefit from the receipt of additional funding through the operation of the floor, by extension this means that its change in grant settlement will be worse than the average for Scotland as a whole. In the absence of confirmed figures beyond 2019/20, current grant funding assumptions are based on continuation of settlements at the actual level received in 2019/20 i.e. a reduction in core funding of 0.7%, including the element of additional monies provided for Health and Social Care. As with all other forecasts, members will be kept apprised of any material changes as additional details emerge although it is likely, as in previous years, that the final grant allocation for 2020/21 will only be confirmed in late January 2020.

Council Tax

16. Between 1 April 2008 and 31 March 2017, Council Tax levels in Scotland were frozen at 2007/08 rates, with the Scottish Government providing compensating grant funding to councils to offset the income foregone, based on an assumed 3% annual increase. Since April 2017, however, the amount of income available through Council Tax has increased through a combination

of revised multipliers for higher-banded properties and an ending of the freeze policy. In 2017/18 and 2018/19, a maximum increase of 3% was permissible to secure, in full, the grant funding allocations set out within the Local Government Finance Settlement. The budget framework currently assumes continuation of 3% annual increases in Council Tax rates in the city.

17. Following the Stage One 2019/20 Scottish Draft Budget deliberations, however, local authorities were permitted to increase Council Tax levels by up to 3% in real terms i.e. 4.79% in cash terms. While, as with the IJB flexibilities noted above, this option was not adopted by the Council in 2019/20, assuming continuation of the policy and current inflation rates, around £2.9m would be raised from each additional 1% increase and an additional £5.1m from applying the maximum-permissible 4.79% increase in 2020/21. Applying an additional 1% for the three successive years (i.e. annual increases of 4%), incorporating the impact of compounding, would raise about £9.0m; an additional 1.79% (i.e. 4.79% in total) would raise about £16.2m over the same period.

Discretionary fees and charges

18. In February 2016, Council approved a proposal to supplement the existing policy of increasing most discretionary fees and charges by the relevant rate of inflation with an “RPI +2%” policy, the effect of which was to generate an additional £1m of income in each of the years of the budget framework from 2016/17 to 2019/20 inclusive. Based on current inflation rates, this equates to annual increases of 5% across the range of fees and charges within scope. Given that the funding constraints under which the revised policy was introduced remain in place, current planning assumptions are for this policy to be continued for the next three years. In light of the more explicit targeting of the budget to address issues of poverty and sustainability, however, there may be a need to apply these increases more strategically, reducing the level of increase or exempting entirely some services and applying higher increases in others if a similar level of income is to be generated.

Transient Visitor Levy (TVL) and Workplace Parking Levy (WPL)

19. As part of the Stage One 2019/20 Draft Scottish Budget deliberations, the Scottish Government agreed to legislate powers that would enable local authorities to introduce a TVL or tourist tax. The Council will implement a TVL in Edinburgh once the detail of the legislation is known and relevant powers are in place.
20. The Council has also continued to support COSLA in seeking a permissive legal power within the Transport Bill for Scottish councils to implement a WPL, if appropriate to local circumstances. The Bill is currently making its way through parliament.

21. In each case, the associated income is assumed not to be available until, at the earliest, the later years of the framework. In addition, this funding is assumed to support new expenditure and, as such, have no net impact on the overall savings requirement over the period of the framework.

European Union-related funding

22. The Council and Strategic Planning Partnership delivering the European Social Fund (ESF) programme on behalf of the city operate core employability projects and social inclusion projects. These projects are currently worth over £1.5 million a year and have an annual impact of £3.75 million (including match funding) supporting vulnerable people to find employability, employment and training skills within the city's economy.
23. At this stage, it is anticipated that funding for previously-approved projects will, irrespective of the UK's precise means of exiting the European Union, be secured up until December 2020. This includes sums currently assessed as "under interruption" in light of the recent European Commission audit. Looking forward, a steering group has also been established by the Scottish Government to oversee planning for the UK-wide Shared Prosperity Fund planned to replace the ESF in due course.

Previously-approved savings

24. In February 2019, Council approved a one-year revenue budget for 2019/20. The four-year budget framework that was issued for public engagement in January 2019 did, however, include a number of further savings covering the remaining three years. These later-year savings primarily reflect the full-year effect or further incremental implementation of proposals approved in 2019/20, along with anticipated savings in loans charge expenditure. The framework also included, however, a number of savings in areas either where significant pressures linked to partial delivery of savings are apparent in the current year (such as Property and Facilities Management, Fleet Management and the 1.55% annual Council-wide efficiency target) or where subsequent Committee or Council decisions have hastened a reassessment of their deliverability or appropriateness (such as Communities and Families third party grants and payments for service to Edinburgh Leisure).
25. At this stage, given the trend in recent years of decreasing actual savings delivery, only those savings in the former category (shown in Appendix 2) are assumed to be available to offset incremental savings requirements. Estimates in respect of the latter category will form part of the risk-adjusted options brought forward to address the remaining savings requirement in 2020/21 and subsequent years.

Key assumptions as reflected in budget framework – summary

Factor	Assumed percentage change		
	2020/21	2021/22	2022/23
<i>Pay awards (all staff groups)</i>	3%	3%	3%
<i>Contract and other inflation</i>	3%	3%	3%
<i>Council Tax</i>	3%	3%	3%
<i>Government Grant funding</i>	0.7% year-on-year reduction, including additional monies for Health and Social Care	0.7% year-on-year reduction, including additional monies for Health and Social Care	0.7% year-on-year reduction, including additional monies for Health and Social Care
<i>Discretionary fees and charges</i>	RPI+2%	RPI+2%	RPI+2%

	2020/21 £m	2021/22 £m	2022/23 £m
Statutory consents	(0.035)	(0.040)	(0.025)
Parks and green spaces	-	(0.100)	-
Advertising income	(0.300)	-	-
Communities and Families management	(0.050)	-	-
Economic Development	(1.500)	-	-
Heritage language	(0.021)	-	-
Borrowing costs	(4.000)	(4.000)	(4.000)
Procurement	(0.100)	(0.100)	(0.100)
Depots and yards	-	(0.500)	-
New ways of working – public safety and business continuity	(0.130)	-	-
Area based regeneration	(0.500)	-	-
Parking action plan phase 2	(0.118)	(0.520)	(0.625)
Marketing Edinburgh	(0.490)	-	-
Transport for Edinburgh	(0.400)	-	-
Scottish Government framework for electricity and gas	(0.060)	-	-
Joint waste	(0.325)	-	-
Culture services review	(0.150)	-	(0.350)
Other efficiencies – ICT / CGI partnership	(0.150)	-	-
Digital delivery	(0.250)	(0.250)	(0.190)
Total gross savings	(8.579)	(5.510)	(5.290)
Less adjustment for one-off savings in framework			
EDI dividend	1.047	-	-
Property maintenance and additional investment	-	0.850	-
Revenue and capital (road maintenance and school adaptations)	0.500	-	-
Total	(7.032)	(4.660)	(5.290)

Finance and Resources Committee

10.00am, Thursday 10 October 2019

Resources Directorate – Internal Audit Action Update

Item number	7.2
Executive/routine	Executive
Wards	All
Council Commitments	

1. Recommendations

- 1.1 It is recommended that the Committee:
- 1.2 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.
- 1.3 Note the position in respect of the current open and overdue internal audit findings relating to the Resources Directorate.
- 1.4 Agrees to refer this report and any feedback from the Committee to the next available meeting of the Governance, Risk and Best Value Committee.

Stephen S. Moir

Executive Director of Resources

Resources Directorate

E-mail: stephen.moir@edinburgh.gov.uk | Tel: 0131 529 4822

Resources Directorate - Internal Audit Action Updates

2. Executive Summary

- 2.1 This report follows 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 have either a Councilwide finding and are applicable to all Directorates or are specific to the Resources Directorate.
- 2.2 No 'Critical' Internal Audit findings were raised during the course of 2018/19 and the total number of findings and High rated findings raised had decreased when compared to prior years. However, a number of significant weaknesses in the Council's overall control environment were identified by Internal Audit.
- 2.3 It was the Chief Internal Auditor's independent and professional opinion that the Council's established control environment; governance and risk management arrangements had not adapted or evolved sufficiently to support effective management of the changing risk environment and the Council's most significant risks, putting achievement of the Council's objectives at risk.
- 2.4 Consequently, Internal Audit reported a 'red' rated opinion, with an assessment towards the middle of this category, reflecting that significant enhancements are required to the Council's established control environment; governance; and risk management arrangements to ensure that the Council's most significant risks are effectively mitigated and managed. This outcome remained unchanged when compared to the Internal Audit opinion presented for the 2017/18 financial year.
- 2.5 The completion of the 2018/19 Internal Audit plan brought with it a number of reports which identified management actions for the Resources Directorate to address. This report outlines the summary status of these internal audit reports for scrutiny by the Committee, as detailed in Appendix 1. In addition, the Internal Audit actions that remain open and are now overdue for completion by the Resources Directorate as at 23 September 2019 are outlined in Appendix 2.

3. Background

- 3.1 The objective of Internal Audit (IA) is to provide high quality independent audit assurance over the control environment established to manage the Council's most significant risks, and their overall governance and risk management arrangements in accordance with Public Sector Internal Audit Standards (PSIAS) requirements.
- 3.2 It is the responsibility of the Council's Chief Internal Auditor to provide an independent and objective annual opinion on the adequacy and effectiveness of the Council's control environment and governance and risk management frameworks in line with PSIAS requirements. The opinion is provided to the Governance, Risk, and Best Value Committee and should be used to inform the Council's Annual Governance Statement.
- 3.3 Where control weaknesses are identified, Internal Audit findings are raised, and management agree actions and timescales by which they will address the gaps identified.
- 3.4 It is the responsibility of management to address and rectify the weaknesses identified via timely implementation of these agreed management actions.
- 3.5 The IA definition of an overdue finding is any finding where all agreed management actions have not been implemented by the final date agreed by management and recorded in Internal Audit reports.
- 3.6 Internal Audit is not the only source of assurance provided to the Council as there are a number of additional assurance sources including: external audit, regulators and inspectorates, that the Committee should equally consider when forming their view on the design and effectiveness of the Council's control environment, governance and risk management arrangements.

4. Main report

Internal Audit Opinion 2018/19

- 4.1 Internal Audit considered that significant enhancements were required to the Council's control environment, governance and risk management arrangements to ensure that the Council's most significant risks were effectively mitigated and managed and raised an overall 'red' rated opinion, with an assessment towards the middle of this category. This opinion aligned with the outcome reported for the 2017/18 financial year and was subject to the inherent limitations of internal audit (covering both the control environment and the assurance provided over controls).
- 4.2 No 'Critical' Internal Audit findings were raised for 2018/19 and the total number of findings (including High rated findings) raised had decreased when compared to prior years, which highlighted some positive improvement. However, a number of new and significant weaknesses in the Council's control environment had been identified, together with an increased trend in the percentage and ageing of overdue IA findings as at 31 March 2019 in comparison to prior years.

- 4.3 Consequently, whilst it was IA's opinion that whilst some progress was evident, the Council's established control environment; governance; and risk management frameworks had not yet adapted sufficiently to support effective management of the changing risk environment and the Council's most significant risks, putting achievement of the Council's objectives at risk.

Areas where improvement is required

- 4.4 The 2018/19 Internal Audit plan and the associated reports completed in the final quarter of the plan identified improvements being required in a number of areas, as detailed in Appendix 1:
- 4.4.1 The majority of Internal Audit findings raised highlighted that key first line management controls (most notably quality assurance reviews) had either not been established or, where established, are not consistently reviewed to confirm their ongoing effectiveness to support management of key service delivery risks. This was highlighted in the outcomes of several reviews, including GDPR (gap analysis) Internal Audit Actions Follow-up; Contract Management; Developer Contributions and IR35 and Right to Work.
 - 4.4.2 Significant concerns were also highlighted in relation to effective management of technology risks, as the Council's technology partner CGI UK Limited had not implemented ongoing vulnerability scanning as a service. Consequently, potential network vulnerabilities may not be fully identified and addressed in a timely manner. Progress has already been made in this area since the conclusion of these audits.
 - 4.4.3 The technology Certifications and Software Licencing review also confirmed that CGI had not yet established adequately designed processes to support effective ongoing management of the Council's full population of software licences, which could potentially impact user access and also has associated cost implications for the Council. Quarterly updates on the Digital Services Programme continue to be submitted to the Governance, Risk and Best Value Committee to scrutinise progress in this area. Additionally, the Elected Member Digital Advisory Board, with membership from the Finance and Resources Committee maintains an overview of performance, progress and risks in this area.
 - 4.4.4 The Financial Systems Access Controls review identified a significant finding, a plan for which is currently being developed by Digital Services to be applied across all the Council's financial systems. The full detail of this report was discussed as a Part B item at the Governance, Risk and Best Value Committee, with the Head of Finance as the Council's Statutory Section 95 Chief Financial Officer in attendance to respond to questions.
 - 4.4.5 Reviews of major projects and organisational change confirmed that the Council's Change Board is now providing effective oversight of the

Council's major projects portfolio, and that projects are generally well managed. However, further improvements were required to ensure that senior responsible officers (SROs) and supporting project managers consistently manage projects in line with the Council's established project management framework; whole of life (capital and revenue) costing is applied when calculating project costs; the impact of changes on support provided by Council Directorates to the Health and Social Care Partnership is consistently considered when preparing business cases; and that adequate project management resource is provided to support delivery of major projects.

- 4.4.6 Whilst the Property and Facilities Management Division has consistently achieved their financial savings targets, the Asset Management Strategy review confirmed that a new realistic and achievable Council Asset Management strategy is required to ensure that ongoing financial savings targets and service delivery improvements are achieved across the Council's operational property portfolio, to support effective and ongoing property portfolio management, optimisation, and maintenance. IA also highlighted that complete and accurate data and management information on the occupancy status; market and lease values; and condition of the Council's property assets was required to support achievement of the Council's property management objectives. These issues are being addressed as part of the new Asset Information Management Systems (AIMS) project. In addition, the Finance and Resources Committee maintains a strong and ongoing assurance role in respect of the Asset Management Strategy and receives regular reports upon this area of work.

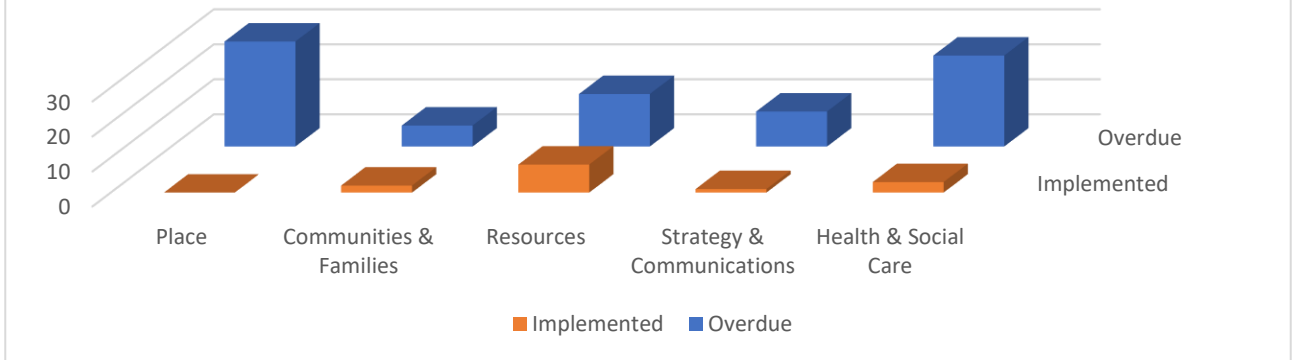
Areas where positive assurance was provided

- 4.5 Although some improvements were required, the Payments and Charges review used a combination of data analytics and sample testing to confirm that the majority of adult residential care home; licencing; and parking permit fees that generate circa £55M income annually for the Council were accurately calculated and applied.

Open and Overdue Internal Audit actions as at 23 September 2019

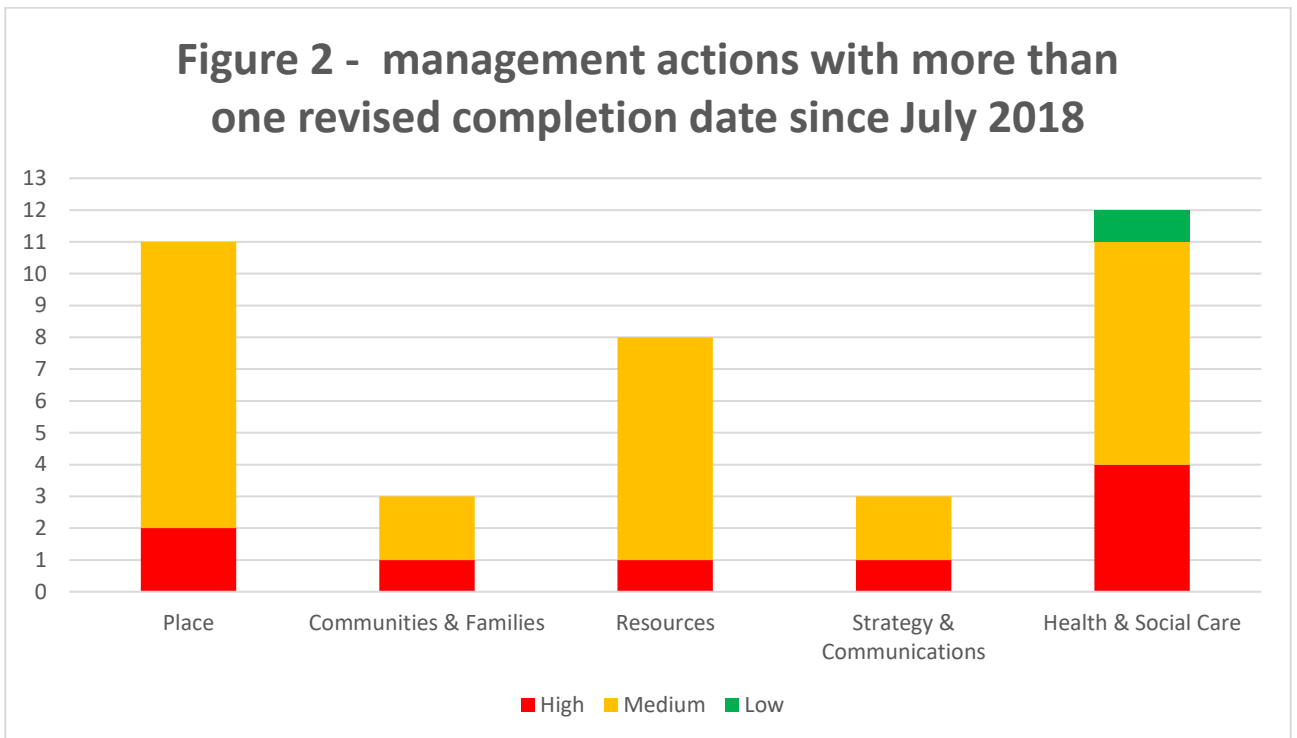
- 4.6 Figure 1 illustrates the allocation of the total of 87 overdue management actions between those where action is required 73 and the 14 that have been passed to IA for review across the directorates/divisions. As members of the Committee will note, the Resources Directorate continues to make positive progress with closing overdue actions.

Figure 1: Overdue and Implemented Management Actions by Directorate



4.7 Of these 37 management actions, 9 are associated with High rated findings, only one of which is the responsibility of the Resources Directorate, as detailed in Figure 2 below:

Figure 2 - management actions with more than one revised completion date since July 2018



4.8 In addition to these actions, which are deemed to be both open and overdue, there are a range of findings that are currently open but are not overdue. These continue to be tracked and managed by the Executive Director of Resources and the Resources Heads of Service.

5. Next Steps

- 5.1 The Resources Directorate is actively managing the response to the internal audit findings and progress against these is reviewed at the Corporate Leadership Team on a monthly basis. The Executive Director of Resources continues to hold Quarterly Performance and Assurance Meetings with the Resources Heads of Service and their direct reports to ensure that the timely completion, evidence and closure of internal audit actions remains a priority for all Divisions within the Directorate.

6. Stakeholder/Community Impact

- 6.1 As with all internal audit related findings, this report highlights that the Council is currently exposed to a level of risk that puts achievement of its objectives at risk and which could potentially impact services delivered and support provided to citizens, stakeholders, and community groups.

7. Background reading/external references

- 7.1 None.

8. Appendices

- 8.1 Appendix 1 - Audits Completed Between 1 April 2018 and 31 March 2019
8.2 Appendix 2 - Internal Audit Overdue Management Actions as at 23 September 2019

Appendix 1 – Audits completed between 1 April 2018 and 31 March 2019

Ref	Review Title	Report Outcome	No. of findings raised			
			High	Medium	Low	Totals
Council wide Audits						
1.	Contract Management and Construction Industry Scheme Payment Deductions	Significant Enhancements	2	-	-	2
2.	Validation	Significant Enhancements	2	-	1	3
3.	Financial System Access Controls	Significant Enhancements	1	-	-	1
4.	Emergency Prioritisation and Complaints – Customer Contact Centre	Generally Adequate	-	2	1	3
5.	GDPR (Gap Analysis) Follow-up	Generally Adequate	1	1	1	3
6.	IR35 and Right to Work	Generally Adequate	1	1	1	3
7.	Payments and Charges	Generally Adequate	-	5	-	5
8.	Organisational Change	Generally Adequate	-	1	-	1
	Totals		7	10	4	21
Resources Directorate Audits						
9.	Public Sector Cyber Action Plan for Cyber Resilience Review	Significant Enhancements	1	2	-	3
10.	Public Services Network (PSN) Accreditation	Significant Enhancements	2	1	-	3
11.	Certifications and Software Licencing	Significant Enhancements	2	-	-	2
12.	Implementation of Asset Strategy and CAFM system	Significant Enhancements	3	-	-	3
13.	Implementation of Facilities Management Service Level Agreement	Generally Adequate	1	-	-	1
	Totals		9	3	-	12

Appendix 2 - Internal Audit Overdue Management Actions as at 23 September 2019

Glossary of terms

- Project – This is the name of the audit report.
- Issue Type – This is the priority of the audit finding, categorised as Critical, High, Medium, Low and Advisory.
- Issue – This is the name of the finding.
- Status – This is the current status of the management action. These are categorised as Pending (the action is open and there has been no progress towards implementation), Started (the action is open, and work is ongoing to implement the management action), Implemented (the service area believe the action has been implemented and this is with Internal Audit for validation).
- Agreed Management action – This is the action agreed between Internal Audit and Management to address the finding.
- Estimated date – the original agreed implementation date.
- Revised date – the current revised date. **Red** formatting in the dates field indicates the last revised date is overdue.
- Number of revisions – the number of times the date has been revised post implementation of TeamCentral. **Amber** formatting in the dates field indicates the date has been revised more than once.

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
1	Historic Unimplemented Findings MIS1601 - issue 1 Budgetary Impact	Medium	Recommendation 1 - Budgetary Impact Implemented	The repairs and maintenance budget for 2016/17 will be closely monitored as services are now procured direct from suppliers and an imbedded due diligence process has been developed. This will inform the budget setting process, but it should, however, be noted that this has historically been based on availability and not need.	Estimated Date: 31/03/2017 Revised Date: 29/06/2018 No of Revisions 1
2	Non-Housing Invoices Schedule of Rates	Medium	New non-housing contractor framework Implemented	The non-Housing contractor framework will be re-tendered during 2017. The inclusion of detailed best-value and due-diligence options will be considered as part of the process. This may include schedule of rates, gain share, penalties etc or a combination.	Estimated Date: 31/08/2017 Revised Date: 31/03/2019 No of Revisions 3
3	Non-Housing Invoices Availability of documentation	Medium	Computer Aided Facilities Management (CAFM) Implemented	It is anticipated that Computer Aided Facilities Management (CAFM) system will be in operational use (services being implemented on a rolling programme thereafter) in early 2017 with a non-Housing R&M implementation process in place for FY 2017/18	Estimated Date: 01/04/2017 Revised Date: 31/08/2018 No of Revisions 2

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
4	Enterprise Resource Planning (ERP) MP1804 - Issue 3 ERP Detailed Project Plans	High	ERP Issue 3.1 - Finance: Claremont project plan Implemented	Detailed plans will be developed in collaboration with third party suppliers onboarding onto the programme and when they are engaged in delivery. Timelines for Claremont being engaged is subject to change, but indicative timeline is – 30 August 2019	Estimated Date:30/08/2019 Revised Date: No of Revisions0
5	Enterprise Resource Planning (ERP) MP1804 - Issue 3 ERP Detailed Project Plans	High	ERP Issue 3.2 - HR: Midland project plan Implemented	Detailed plans will be developed in collaboration with third party suppliers onboarding onto the programme and when they are engaged in delivery. Timelines for Midland HR being engaged is subject to change, but indicative timeline is – 31 July 2019	Estimated Date: 31/07/2019 Revised Date: No of Revisions 0

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
6	<p>Planning and S75 Developer Contributions</p> <p>End to end developer contribution processes, procedures, and training</p>	High	<p>PL 1801 Iss 2 Rec 2.3(1) Legal agreements and rates</p> <p>Implemented</p>	<p>Legal Services has developed a contributions template for use by planning officers prior to the determination of an application where contributions are required. Planning will continue to work with Legal Services to refine and finalise the template. 1. Legal Services will develop a template which will contain a drop-down list of all information required to be filled in by Planning officers for every developer agreement, prior to a minded to grant status being issued by Planning.2. To ensure consistency, Legal Services will apply a revised hourly charge rate based on a blended rate of the charges made by existing external firms preparing developer contribution legal agreements.</p>	<p>Estimated Date: 01/07/2019</p> <p>Revised Date:</p> <p>No of Revisions 0</p>

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
7	Property Maintenance Monitoring of outstanding jobs	Medium	Monitoring of outstanding jobs Implemented	The AS400 system does not allow recoding or reporting on completion until invoice stage. Contractors are already confirming when jobs complete to agreed Service Level Agreements (M&E in particular). This includes outstanding jobs. New contracts being procured will require all contracts to report on performance, but this is not anticipated to be complete until end 2017 by which time Computer Aided Facilities Management (CAFM) will also be in place. CAFM will support monitoring of outstanding works orders. In the meantime, as noted in Finding 2, an interim monitoring/tracking process has been developed for condition survey high risk/urgent items	Estimated Date: 31/12/2017 Revised Date: 31/05/2019 No of Revisions 4

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
8	Cyber Security - Public Sector Action Plan RES1808: Issue 1: Critical Operational Cyber Security Controls	High	RES1808: Issue 1: Recommendation 4.1 - User access controls Implemented	CGI indicated that the full recommendations made by the external auditor could not be implemented without significant change to the contract and at a notable additional cost. CGI provided the Council and the External Auditors with details of the current oversight of the CGI Wintel and UNIX password policies. Current ongoing evidence of this oversight via the Security Working Group will be provided to external audit, a statement confirming the risk acceptance by the Executive Director of Resources will be prepared, approved, signed, and provided to Scott Moncrieff.	Estimated Date: 31/05/2019 Revised Date: No of Revisions 0

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
9	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements	High	Rec 12.2 Resources - Annual assurance from Third Party Providers Started	Assurance should be obtained annually for statutory and critical services from third party service providers that their resilience plans remain adequate and effective; and have been tested to confirm that the recovery time objectives for systems and recovery time and point objectives for technology systems agreed with the Council were achieved. Where this assurance cannot be provided, this should be recorded in Service Area and Directorate risk registers.	Estimated Date: 28/06/2019 Revised Date: 30/06/2020 No of Revisions 1
10	Enterprise Resource Planning (ERP) MP1804 - Issue 3 ERP Detailed Project Plans	High	ERP Issue 3.3a - Debt Management - draft project plan Started	Detailed plans will be developed in collaboration with third party suppliers onboarding onto the programme and when they are engaged in delivery. No supplier is in place for replacement of the debt management system. Draft project plan with key milestones and deliverables will be prepared for 30 August 2019	Estimated Date: 30/08/2019 Revised Date: 29/11/2019 No of Revisions 2

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
11	Planning and S75 Developer Contributions Backlog of Legacy Developer Contributions	High	PL 1802 Recommendation 1.1 Review of developer contributions held in the Finance database Started	A full review of all developer contributions held in the Finance database will be performed, and all entries reconciled to amounts held on deposit and/or in the general ledger.	Estimated Date: 31/01/2016 Revised Date: 30/09/2020 No of Revisions 1
12	Asset Management Strategy Issue 1: Visibility and Security of Shared Council Property	Medium	Review of existing shared property Started	A review of the office estate is underway by the Operational Estates team to identify third party users and approach them to seek appropriate leases or licences to allow them to occupy the premises and ensure the Council is appropriately reimbursed.	Estimated Date: 31/10/2018 Revised Date: 31/08/2019 No of Revisions 2

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
13	Asset Management Strategy Issue 1: Visibility and Security of Shared Council Property	Medium	Formalised rental agreements Started	The Operational Estates team are also reviewing third sector tenancies across the Operational Estate. This will require the collation of information directly from establishments (who have traditionally made direct arrangements with third parties), to capture all instances and formalise these arrangements. Given the size and complexity of this task, it is envisaged that this will take around two years to complete.	Estimated Date: 31/10/2018 Revised Date: 31/10/2019 No of Revisions 2
14	Asset Management Strategy Property and Facilities Management Data Completeness; Accuracy; and Quality	High	Property and Facilities Management Data Completeness; Accuracy; and Quality Pending	Current Computer Aided Facilities Management (CAFM) system users have access to the operational data they need in the system to perform their roles and are also updating the CAFM system with new data. Whilst the vision is to have all property data in CAFM, the volume of property data that could be captured and recorded is near infinite, therefore property data that will retained in CAFM has to be focused on the effort and cost to collect versus the value it provides. The CAFM Business Case includes requirement for a Data Quality Manager, who will be the responsible data steward for Property and Facilities Management (P&FM) data. Their role is not necessarily to collect the data but to ensure rigor and control over it. This will involve ensuring regular reviews of data within the system and ensuring that data is managed and maintained in line with the established CAFM data	Estimated Date: 31/03/2016 Revised Date: 31/03/2022 No of Revisions 1

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
				<p>hierarchy and agreed Council information management policies and procedures.</p> <p>Sharing data steward responsibilities across services is problematic, as they hold responsibility and accountability for the data under their remit. It would be highly unlikely that a data steward from another service would want to take on the additional accountability of data from P&FM. We recommend that P&FM establish their own data steward.</p> <p>The CAFM Business Case includes the delivery of a Data Quality Strategy for P&FM. The objective of the data quality strategy is to attribute risk and value to the data maintained in the system. Additionally:</p> <ul style="list-style-type: none"> • data change processes and procedures that capture data processing and management in CAFM will be designed and implemented. • processes for reviewing data quality, for example, review of condition survey data run in tandem with review of property data every five years, will be designed and implemented. • data validation controls within CAFM will be applied; and • data quality audit controls for individual data fields available in CAFM will be applied, and audit reports run at an appropriate frequency to identify any significant changes to key data. 	

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
15	Asset Management Strategy Property and Facilities Management Data Completeness; Accuracy; and Quality	High	Resolution of known data quality issues Pending	<p>A reconciliation of the two lists has been performed and there are no obvious discrepancies other than properties which are out with the scope of the survey team.</p> <ul style="list-style-type: none"> • The viability of establishing a referencing system for concessionary lets in the CAFM system will be explored. • The volume and value of known concessionary lets across the Council Estate will form part of the Annual Investment Portfolio update which is reported to the Finance and Resources committee. • There is an ongoing work stream looking at vacant and disposed properties and the systems updates required. 	<p>Estimated Date: 31/03/2016 Revised Date: 31/03/2022 No of Revisions 1</p>

This page is intentionally left blank

Finance and Resources Committee

10am, Thursday 10 October 2019

Capital Budget Strategy 2020-2030

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 To note the priorities for capital expenditure outlined in this report and the proposed funding solutions.
- 1.2 To note that delivery of funded capital expenditure priorities is dependent on the achievement of a balanced medium-term revenue budget.
- 1.3 To note that further reports will be presented to the Committee prior to the Council setting its budget in February 2020.
- 1.4 To note that this report will be referred to Governance, Risk and Best Value Committee, following Finance and Resources, as part of its programme of work.

Stephen S Moir

Executive Director of Resources

Contact: Rebecca Andrew, Principal Accountant

Finance Division, Resources Directorate

E-mail: rebecca.andrew@edinburgh.gov.uk | Tel: 0131 469 3211

Capital Budget Strategy 2020-2030

2. Executive Summary

- 2.1 The report details priorities for council capital investment over the medium to long-term and sets out a plan on how they could be funded. Priorities put forward for proposed additional funding include 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.
- 2.2 It is recognised that the Council's capital resources are limited. Borrowing carried out for investment must be repaid from increasingly limited revenue budgets. The budget strategy in this report can only be funded if the Council is able to balance its revenue budget over the medium to long term to comply with the terms of the Prudential Code. Moreover, the strategy assumes that some priorities, such as the City Centre Transformation and wider transport initiatives, will need to be funded from a combination of external funding and realignment of existing budgets.

3. Background

- 3.1 The Council's capital investment programme for the period 2019-24 was approved at its budget meeting of 21 February 2019. This budget was subsequently revised to reflect slippage from 2018/19, funding approved after the budget had been set and updated project cash flows. This revised budget was approved by Finance and Resources committee on 15 August 2019.
- 3.2 Beyond this 5-year planning horizon, allocation of capital resources is based on a 10-year indicative programme approved by the former Policy and Strategy Committee in 2008, which has subsequently been rolled forward and adjusted to reflect commitments made in relation to tram life-cycle and cycling. A summary of the current programme for the period 2020-2030 is included at Appendix 1.
- 3.3 This report details capital investment priorities for the next 10 years and sets out potential funding solutions. This report should be read in parallel with the revenue budget report elsewhere on this agenda as the revenue impact of additional capital expenditure needs to be contained within a balanced revenue budget.

- 3.4 This report only covers the general fund capital investment programme. The capital expenditure requirements for the Housing Revenue Account will be reported to Finance and Resources Committee in January 2020 as part of the Housing Revenue Account business plan.

4. Main report

Capital Priorities

- 4.1 Priorities for capital expenditure, identified by officers and discussed through the operational Asset Management Board, are aligned to our statutory responsibilities to deliver services together with achieving our strategic objectives.
- 4.2 In order to continue to deliver high-quality services, the Council needs to continue to invest in the condition and suitability of its assets. The existing capital plan, as set out in Appendix 1, includes £174m for the existing operational estate and £121m for roads and pavements as well as investment in specific assets such as North Bridge and the King's Theatre. It is anticipated that additional investment will be required, particularly in Council buildings for them to be fit for purpose.
- 4.3 Since 2000, the Council has invested significantly in replacement schools to modernise its learning and teaching estate. The construction of the new St Crispins is about to commence, the new Queensferry High School is nearing completion and there is currently funding for a new secondary school at Craigmillar and replacement sports facilities at Trinity High School. As set out in the Wave 4 business case reported to this committee on 11 October 2018, there is also a requirement to replace secondary schools at Currie, Trinity, Wester Hailes, Liberton and Balerno, which are not currently funded within the existing capital investment programme. Scottish Government has advised that the replacement of Currie High School will form part of the initial phase of its New Learning Estate Investment programme, but the Council will need to provide match-funding to take the project forward. A separate report from the Director of Communities and Families elsewhere on this agenda provides more detail on priorities for the Council's learning estate.
- 4.4 When investing in new assets, the Council is adopting a service design led approach to improve access to services, consolidate our estate and re-provision services effectively. This approach is designed to enhance service user experience and ensure upfront engagement and participation with the future shaping of services and Council assets, generating efficiencies and recurring savings where possible.
- 4.5 The Council is also required to invest in order to deliver new statutory obligations. The capital programme contains £25m, funded by the Scottish Government to

complete its programme of new and extended early years facilities so that all 3 and 4 year olds receive 1140 hours per annum of free childcare. The funding allocated to this programme of work fully met the requirements of the Council's business case submission to the Scottish Government.

- 4.6 Edinburgh is a growing city and capital investment is required both to promote inclusive growth and to address its impacts on citizens and the city. The capital programme provides investment in public realm assets surrounding the new St James development as well as the extension of the tram line to Newhaven, subject to confirmation of the business case in the autumn. Both these projects are funded from external income so that economic benefits can be generated without impacting on Council services.
- 4.7 The Council is also working to promote economic growth across the wider city region and the capital programme reflects the Council's match-funding contribution to the Edinburgh and South East Scotland City Deal.
- 4.8 Economic, housing and population growth in the city have also increased demands for service infrastructure. The Local Development Plan action plan sets out infrastructure required to address the anticipated impact of new housing development. While developers' contributions will be sought to meet much of the cost, the Council will need to provide significant investment beyond the £35m, which was provided in the 2018/19 budget process.
- 4.9 The increase in Edinburgh's population is not solely linked to new development and projected increases in the number of school-aged children will require the Council to provide additional school places by expanding its existing programme of school extensions.
- 4.10 In response to the growth in the older age groups of the population, the Health and Social Care Partnership is following a transformative programme of people centred, community-based care. This requires alternative delivery models in addition to the traditional care home provision. The delivery of new intermediate care facilities is currently being scoped to meet this requirement, with the first phase utilising the £10m in the current CIP. Further requirements will emerge over forthcoming years.
- 4.11 Economic growth in Edinburgh has resulted in increased house prices and rent levels, making good quality housing unaffordable to many citizens. While additional social housing provision is financed by the Housing Revenue Account, the general fund capital programme provides £225m for lending to Edinburgh Living and National Housing Trust LLPs. These projects are self-financing as a result of income from affordable rents. Additional housing can therefore be provided without impacting on other expenditure priorities.
- 4.12 The Council is aiming for Edinburgh to be a zero-carbon city by 2030. To this end, 10% of all transport capital expenditure has been set aside for cycling projects and the capital programme includes £9.6m to complete the replacement of all Council street lights with energy-efficient lighting. Where new building projects have been

approved the Council is seeking to deliver energy-efficient buildings, but there is likely to be a requirement to retrofit existing buildings with energy-efficient solutions. Opportunities to utilise Spend to Save funding will be assessed. In addition, funding is required to deliver the City Centre Transformation Programme and the wider City Mobility Plan.

- 4.13 On 10 September 2019, Culture and Communities Committee approved a report recommending that the Council consider Hostile Vehicle Mitigation measures are considered at key Council-owned sites within the city centre. The work undertaken to date indicates that costs are likely to be substantial given the nature of the likely interventions. Indications to date are in the realm of £2-3m.
- 4.14 Finally, there are a number of major projects in the current programme, where there is a potential risk of expenditure exceeding budget and these will be reviewed as part of the Council's 2020 budget planning process.

Funding Opportunities

- 4.15 The Council's capital budget is mainly funded by a combination of government grant, asset sales, third-party grants, developers' contributions and borrowing. A contribution may also be made from Council reserves. In determining the funding available for further capital investment, existing assumptions for each of these funding streams have been reviewed. Appendix 2 sets out an additional £281m of potential funding for Council capital priorities.
- 4.16 The existing capital programme assumes Scottish Government general capital grant of £38m per annum. Based on forecasts of capital funding for budget planning it has been assumed that general capital grant can be increased by £5m to £43m in 2020/21, increasing by £0.5m per annum thereafter. Over the ten-year budget period this amounts to an additional £72.5m to fund capital investment.
- 4.17 The Council also receives specific grants for projects which meet national government priorities. The existing programme includes grant from Scottish Government for the expansion of Early Years activities. It is anticipated that the Council's ambitious active travel programme will receive significant funding from Sustrans and there are likely to be further tranches of funding available to the Council to take forward initiatives arising from its City Centre Transformation and City Mobility programmes.
- 4.18 The Scottish Government has announced £1bn of capital equivalent funding which will be available to Council's to replace schools in poor condition, under its New Learning Estate Investment programme. The funding is likely to be revenue in nature and linked to facilities management costs or the achievement of agreed outcomes and paid annually following project completion. However, this funding would provide additional revenue headroom to support borrowing. The Scottish Government will award funding based on business cases for individual schools and has announced that funding for Currie High School will be provided in the initial phase of investment. In estimating likely funding for the Council's Wave 4

programme, it is assumed that the Council will receive capital equivalent funding of 30% of the cost of Currie High School and one other Wave 4 school and that this funding will be received on project completion.

- 4.19 The existing programme assumes developers' contributions for the Tram to Newhaven project. In addition, developers' contributions are anticipated to fund a significant proportion of the Local Development Plan Action Programme, including contributing to any increases in capacity in the Wave 4 schools.
- 4.20 Receipts from asset sales are pooled and used to fund capital priorities across the programme. The exception to this is where these receipts are only created by delivering a new capital project (e.g. the sale of a depot site because new facilities have been provided in a different location). Assumptions for asset sales have been reviewed and it is not considered prudent to increase the assumed level of general receipts by more than the £3m per annum already approved. However, there will be opportunities to release land because of the Wave 4 programme and receipts from the sale of these sites are assumed to be available to fund the school projects.
- 4.21 The Council's ability to use revenue budgets to finance capital expenditure has also been considered. The current revenue budget framework contains the financing costs of £78m of capital expenditure to part-fund the Wave 4 programme. However, this funding is contingent on the Council achieving a balanced medium to long-term revenue budget. In addition, it is assumed that 10% of the increased Council Tax received from newly-built developments is used to fund borrowing for capital expenditure to help meet the cost of the infrastructure requirements of those developments. It is estimated that this could provide a further £43m of capital over a 10-year period.
- 4.22 The Council's current plan has unallocated expenditure of £7m per annum from 2024/25, to provide flexibility in later years. It is proposed that this amount be reduced to £5m per annum, releasing £12m for the priorities identified above.
- 4.23 Finally, Council reserves have been reviewed. The Capital Fund currently has a balance of £55.9m, taking of existing commitments it is proposed that £27m of this amount is used to finance capital priorities.

Proposals for Investment

- 4.24 In view of limited resources available it is proposed that funding is directed to the following priority areas:
- Pressures relating to existing capital projects;
 - Wave 4 Schools;
 - LDP/Rising School Rolls;
 - Asset Management Works Programme.
- 4.25 The combined cost of this investment is set out in Appendix 2 and amounts to £475m over a 10-year period, compared to the £362m of funding identified.

Modelling shows that funding is sufficient up until 2026/27, allowing for slippage across the programme. From 2027/28 onwards, should alternative funding not be identified, the Council will need meet the financing costs of this investment from its revenue budget, which is estimated to be £7.1m per annum from 2027/28. In the event that the Council is unable to make the savings at that time, then capital expenditure will need to be reduced, potentially meaning that later phases of the Wave 4 Schools programme could not be delivered.

- 4.26 It should be noted that investment in new schools is also dependent on the receipt of significant levels of developers' contributions. Prior to the approval of individual projects, detailed business cases will be required, setting out costs and funding assumptions to ensure that projects are affordable.

Unfunded Priorities

- 4.27 It is recognised that this proposal does not provide funding for all Council priorities and the Wave 4 programme is extended over a 10-year timeframe. Funding options for Gaelic Medium Education High School, City Centre Transformation, the City Mobility Strategy and Hostile Vehicle Mitigation will be subject to separate consideration.
- 4.28 In developing business cases for these priorities, the Council will seek to maximise the external funding available and, where appropriate, realign existing budgets

5. Next Steps

- 5.1 The capital budget strategy will be developed further, and detailed budget proposals will be submitted to this committee prior to the Council setting its budget in February 2020.

6. Financial impact

- 6.1 This report sets out additional capital expenditure of £475m, offset by additional income of £203m, resulting in a requirement of £272m in loans fund advances. The loans charges associated with this over a 30-year period would be a principal amount of £272m and interest of £246m, resulting in a total cost of £517m based on an assumed loans fund interest rate of 4.6%. This represents an annual cost of £17m.
- 6.2 Revenue budget planning assumptions mean that that costs associated with £78m of the loans fund advances will be met from savings initiatives and £43m can be met from Council Tax. This is contingent on the Council approving a balanced medium-term revenue budget in February 2020. It is also assumed that £38m will be supported by the Scottish Government for investment in schools. The remaining £113m is currently unfunded and will require the Council to find additional revenue savings of £7.1m per annum from 2027/28 onwards. A profile of this additional

funding pressure is set out in Appendix 3. In the event that the Council is unable to make the savings at that time, then capital expenditure will need to be reduced, potentially meaning that later phases of the Wave 4 Schools programme could not be delivered. Any additional capital resources realised will be used to reduce this funding deficit.

- 6.3 Investment in additional assets is likely to result in increased running costs. A report on the associated cost implications of changes in the size and profile of the Council's operational property estate was considered by the Finance and Resources Committee on 23 May 2019. The report noted the need to provide for the additional revenue costs of a number of demand- and condition-led school replacements and new-builds. Based on the cost projections intimated in that report and sums provided within the budget framework in respect of rising school rolls, the Wave Four schools programme and additional, or expanded, facilities linked to the Local Development Plan, this level of provision was anticipated to be sufficient to meet, in full, these additional costs. In addition, all projects will be required to produce a detailed business case, setting out both capital and revenue costs and demonstrating how they will be funded prior to project commencement.

7. Stakeholder/Community Impact

- 7.1 Engagement on the capital budget strategy will form part of wider engagement on the Council's budget.
- 7.2 The stakeholder and community impact of projects within the programme will be assessed as part of the reporting on individual projects concerned.

8. Background reading/external references

- 8.1 [Capital Investment Programme 2019-20 to 2023-24 - Council 21 February 2019](#)
- 8.2 [Coalition Budget Motion - Council 21 February 2019](#)
- 8.3 [Capital Strategy 2019-2024 - Council 14 March 2019](#)
- 8.4 [Capital Investment Programme - Outturn 2018/19 and Revised Budget 2019-24 - F&R Committee 15 August 2019](#)
- 8.5 [Capital Investment Programme 2009-19 - Policy and Strategy Committee 8 November 2008](#)
- 8.6 [Local Development Plan Action Programme – January 2019](#)
- 8.7 [Wave 4 Infrastructure Investment Programme - F&R 11 October 2018](#)
- 8.8 [City Centre Hostile Vehicle Mitigation Measures Update Report - C&C Committee 10 September 2019](#)

8.9 [Changes to the Operational Property Estate - Lifecycle Costs Forecast – F&R
23 May 2019](#)

9. Appendices

Appendix 1: Existing Capital Investment Programme Summary

Appendix 2: Additional Investment Proposals

Appendix 3: Additional Funding Pressure

CAPITAL STRATEGY 2020-2030

Appendix 1

Existing Capital Investment Programme Summary

	Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Existing Programme - Expenditure											
Communities and Families											
Early Years	25.000	25.000	-	-	-	-	-	-	-	-	-
Primary Schools	29.182	27.640	1.542	-	-	-	-	-	-	-	-
Wave 3 Schools	14.500	14.500	-	-	-	-	-	-	-	-	-
Wave 4 Schools	19.000	19.000	-	-	-	-	-	-	-	-	-
Rising School Rolls	7.762	7.762	-	-	-	-	-	-	-	-	-
Libraries	0.650	0.650	-	-	-	-	-	-	-	-	-
Sports Facilities	9.550	1.065	0.165	0.165	7.165	0.165	0.165	0.165	0.165	0.165	0.165
Other	1.000	1.000	-	-	-	-	-	-	-	-	-
Place											
Environment	38.958	38.558	0.200	0.200	-	-	-	-	-	-	-
Homeowners adaptation grants	10.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Carriageway and Footways	120.770	10.727	12.227	12.227	12.227	12.227	12.227	12.227	12.227	12.227	12.227
10% Cycling Commitment	17.830	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783
Other Transport and Infrastructure	90.937	36.834	12.753	14.575	3.825	3.825	3.825	3.825	3.825	3.825	3.825
Tram Life Cycle	10.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Museums and Arts	13.500	6.500	1.000	6.000	-	-	-	-	-	-	-
St James/Picardy Place	62.900	62.900	-	-	-	-	-	-	-	-	-
NHT and Edinburgh Homes	225.142	71.080	55.104	76.692	22.266	-	-	-	-	-	-
Tram to Newhaven	162.053	74.318	58.004	29.731	-	-	-	-	-	-	-
Resources											
ICT	5.000	5.000	-	-	-	-	-	-	-	-	-
Asset Management Works	173.966	30.000	25.516	20.450	14.000	14.000	14.000	14.000	14.000	14.000	14.000
IJB											
New Care Home	10.000	5.000	5.000	-	-	-	-	-	-	-	-
Unallocated	30.000	-	-	-	-	5.000	5.000	5.000	5.000	5.000	5.000
Existing Programme - Expenditure Budget	1,077.700	441.317	175.294	163.823	63.266	39.000	39.000	39.000	39.000	39.000	39.000

CAPITAL STRATEGY 2020-2030

Appendix 1

Existing Capital Investment Programme Summary

	Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Existing Programme - Funding											
Asset Sales (Unringfenced)	18.000	3.000	3.000	3.000	3.000	1.000	1.000	1.000	1.000	1.000	1.000
Developers contributions	1.890	0.750	0.380	0.380	0.380	-	-	-	-	-	-
General Capital Grant	380.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000
Specific Capital Grant	25.000	25.000	-	-	-	-	-	-	-	-	-
Loans fund advances	652.810	374.567	133.914	122.443	21.886	-	-	-	-	-	-
Existing Programme - Funding Budget	1,077.700	441.317	175.294	163.823	63.266	39.000	39.000	39.000	39.000	39.000	39.000

CAPITAL STRATEGY 2020-2030
Additional Investment Proposals

Appendix 2

	Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Additional Priorities - Expenditure											
Existing programme - Pressures	10.000	10.000	-	-	-	-	-	-	-	-	-
Wave 4 Schools											
Currie High School	42.927	1.421	1.502	22.994	16.090	0.919	-	-	-	-	-
Trinity Academy Phase 2	42.065	-	1.688	1.784	22.304	14.106	1.092	1.092	-	-	-
Wester Hailes Education Centre	36.001	-	-	-	-	-	1.233	1.283	19.247	13.468	0.770
Liberton High School	49.140	-	-	-	-	-	1.684	1.751	26.271	18.383	1.050
Balerno High School	57.667	-	-	-	-	-	1.976	2.055	30.830	21.573	1.233
Wave 4 Contingency	22.780	0.142	0.319	2.478	3.839	1.503	0.598	0.618	7.635	5.342	0.305
Infrastructure for Population Growth											
Builyeon Road Primary School (S Queensferry)	16.000	0.800	5.600	6.400	3.200	-	-	-	-	-	-
New Brunstane/Newcraighall Primary School	16.000	0.800	5.600	6.400	3.200	-	-	-	-	-	-
Maybury Primary School	16.000	0.800	5.600	6.400	3.200	-	-	-	-	-	-
Kirkliston/West Edinburgh Secondary Provision	50.000	2.500	17.500	20.000	10.000	-	-	-	-	-	-
Gilmerton Station Road Primary School	16.000	-	-	0.800	5.600	6.400	3.200	-	-	-	-
Granton Waterfront Primary School	16.000	-	-	-	0.800	5.600	6.400	3.200	-	-	-
East of Milburn Tower Primary School	16.000	-	-	-	-	0.800	5.600	6.400	3.200	-	-
Unallocated	20.000	-	-	-	-	-	-	-	-	10.000	10.000
Increased Investment in Council Buildings											
Asset Management Works	48.000	-	-	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
Additional Priorities - Expenditure	474.580	16.463	37.809	73.256	74.234	35.328	27.783	22.398	93.183	74.767	19.358

CAPITAL STRATEGY 2020-2030
Additional Investment Proposals

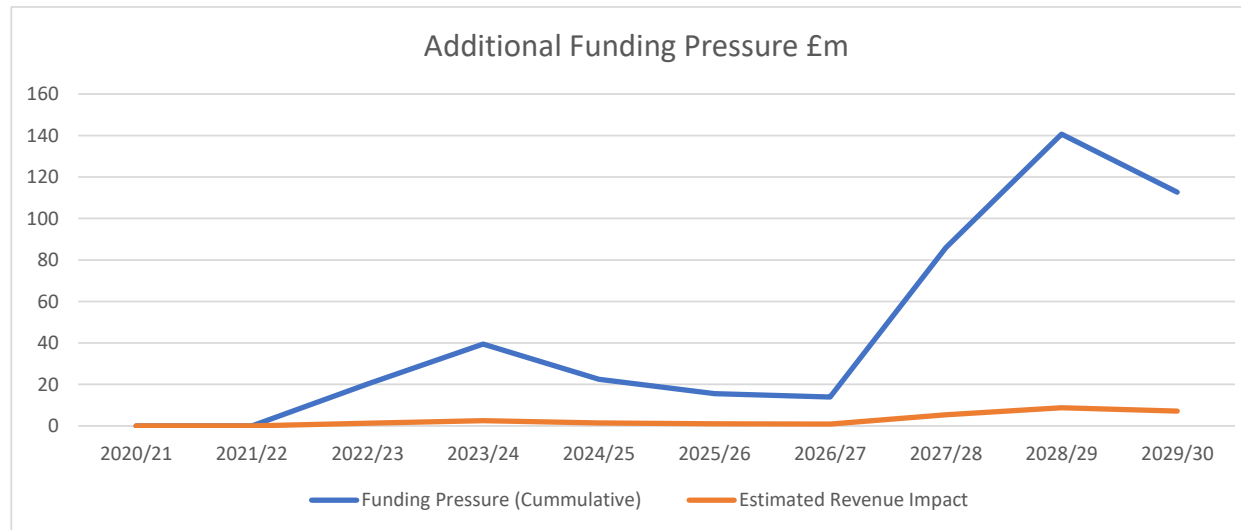
Appendix 2

Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Additional Priorities - Funding Opportunities											
<i>Income</i>											
Existing Programme - Unallocated Funding											
Asset Sales (Unringfenced)	12.000	-	-	-	-	2.000	2.000	2.000	2.000	2.000	2.000
External Funding											
Increased general capital grant	72.500	5.000	5.500	6.000	6.500	7.000	7.500	8.000	8.500	9.000	9.500
Developers contributions (Wave 4)	12.514	0.004	0.056	0.499	0.307	5.114	-	4.582	0.370	0.827	0.756
Developers contributions (LDP)	58.890	-	-	2.450	13.720	16.000	10.400	5.120	6.080	3.840	1.280
Asset Sales (Wave 4)	19.997	-	-	-	-	-	10.489	-	-	-	9.508
Reserves											
Capital Fund Drawdown	27.000	7.159	5.453	14.388	-	-	-	-	-	-	-
	202.901	12.163	11.009	23.337	20.527	30.114	30.389	19.702	16.950	15.667	23.044
<i>Supported Borrowing</i>											
Borrowing supported by											
Scottish Government Schools Funding	38.000					18.000					20.000
Revenue Budget Framework	78.000		22.500	25.500	30.000						
10% of Increased Council Tax take	43.000	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300
	159.000	4.300	26.800	29.800	34.300	22.300	4.300	4.300	4.300	4.300	24.300
Additional Priorities - Funding Opportunities	361.901	16.463	37.809	53.137	54.827	52.414	34.689	24.002	21.250	19.967	47.344

CAPITAL STRATEGY 2020-2030
Additional Funding Pressure

Appendix 3

	Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Additional Expenditure Priorities	474.580	16.463	37.809	73.256	74.234	35.328	27.783	22.398	93.183	74.767	19.358
Additional Funding Opportunies	361.901	16.463	37.809	53.137	54.827	52.414	34.689	24.002	21.250	19.967	47.344
Funding Pressure (Incremental)	112.678	-	-	20.119	19.407	- 17.086	- 6.906	- 1.603	71.933	54.800	- 27.986
Funding Pressure (Cummulative)		-	-	20.119	39.526	22.440	15.534	13.931	85.865	140.664	112.678
Estimated Revenue Impact		-	-	1.254	2.464	1.399	0.968	0.868	5.352	8.768	7.078



Finance and Resources Committee

1000, Thursday, 10 October 2019

Communities and Families Learning Estate

Executive/routine	Executive
Wards	All
Council Commitments	28

1. Recommendations

- 1.1 It is recommended that Committee:
- 1.2 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.
- 1.3 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 this report and on other terms and conditions to be agreed by the Executive Director of Resources.
- 1.4 Note the proposed realignment of the existing approved Communities and Families budget to ensure the delivery of priority projects.
- 1.5 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.

Alistair Gaw

Executive Director, Communities and Families

Contact: Crawford McGhie, Senior Manager – Estates and Operational Support

E-mail: crawford.mcghie@edinburgh.gov.uk | Tel: 0131 469 314

Communities and Families Learning Estate

2. Executive Summary

- 2.1 This report provides an update on the replacement Castlebrae High School project and approvals that are required for the project to proceed are recommended. An overview of current financial pressures in other committed learning estate projects and how these will be addressed is also provided.
- 2.2 A summary of future requirements for capital investment in the learning estate is provided which should be read in conjunction with the Capital Budget Strategy report elsewhere on this agenda.

3. Background

- 3.1 Communities and Families has a significant programme of investment in the learning estate to deliver over the next 10 years which is related to the growth of the city, replacement of existing facilities which are in poor condition and the increasing demand for Gaelic Medium Education (GME). Some of these projects have budgets allocated in the existing Capital Investment Programme (CIP). However, other projects require budgets to be established in February 2020 so the Council can continue to meet its statutory duty of providing education to all pupils in the city.
- 3.2 For the projects which are currently included in the CIP budgets were established based on the expected costs at initiation. For each project, more accurate cost requirements become known as the detailed design emerges and tender processes are undertaken and reflect current market conditions. The highest priority for Communities and Families is therefore to ensure appropriate budgets are in place for these committed projects so that construction can progress. This report therefore proposes reallocation of budgets within the overall approved Communities and Families CIP to ensure these priority projects can be delivered.
- 3.3 One of the current CIP projects where there is already enough budget allocated is the replacement for Castlebrae High School. However, when the budget was approved for this project it was requested that a report to Committee would be submitted providing an update before a construction contract was progressed.

- 3.4 The delivery of new housing on sites allocated in the Local Development Plan is now progressing at pace across the city and as outlined in the Local Development Plan Action Programmes from 2014 onwards this requires considerable investment in the learning estate including extension of existing schools, several new primary schools and potentially one new High School. If the budgets are not established in February 2020 for delivery of some of this infrastructure, then the Council will no longer be able to guarantee provision of education for all pupils in the city, which is a statutory requirement. These projects are therefore the second highest priority for investment in the learning estate.
- 3.5 Significant budgets are already aligned to improving the condition of existing properties in the learning estate and certain schools have been identified as requiring replacement based on the condition of existing facilities. Once the provision of statutory requirements has been delivered these projects addressing condition are the next highest priority for Communities and Families.
- 3.6 The remainder of capital investment projects which are currently Communities and Families unfunded priorities are those schools in the Wave 4 programme which have not been replaced during the PPP1, PP2 or Wave 3 investment programmes and have not been assessed for replacement based on condition alone. The commitment to provide a dedicated GME secondary school also falls into this category.
- 3.7 The remainder of this report outlines Communities and Families learning estate requirements based on these priorities. This report should be read in conjunction with the Capital Budget Strategy report elsewhere on this agenda, which sets out a framework for the funding of Council capital expenditure priorities.

4. Main report

Priority 1 – Committed Projects

Replacement Castlebrae High School

- 4.1 The detailed design phase for a replacement Castlebrae High School in Craigmillar Town Centre has been completed, planning permission has been secured and the construction is scheduled to begin in November 2019. The project is being delivered in partnership with Hub South East Scotland Ltd (Hubco) and the Contract has been prepared which is ready to sign to allow construction to commence.
- 4.2 As part of the Hubco process a final cost plan for the construction has been prepared and the contract value as well as other project costs can be met within the available budget. It is therefore recommended that Committee approve the Contract with Hub South East Scotland Ltd for the construction of the replacement Castlebrae High School can be progressed.
- 4.3 The current estimated total cost for Castlebrae High School is £34m which includes a construction contract value of £28.7m, a residual land value of £1m (£2.1m value reduced by the cost of site abnormalities and provision of wider regeneration elements

through the contract), other development costs, professional fees and an appropriate client contingency for a project of this scale.

- 4.4 The funding available for delivery of the project through the CIP, developers' contributions, expected land receipts and EDI dividend is £37.1m. It is therefore recommended that the contract for construction of the school through Hubco can be progressed. On this analysis, £3.1m of the CIP funding currently allocated to the project may be reallocated to meet some of the pressures with committed projects detailed below.
- 4.5 The land on which the new school will be constructed requires to be transferred to Communities and Families from the Housing Revenue Account and an appropriate value for the site requires to be recouped to meet Scottish Government best value requirements. The land value has been based on the drawdown formula for PARC land to produce a gross consideration. This will be reduced by the cost of site abnormalities and other shared site wide infrastructure costs. This value is included in the overall cost for the project indicated above and is affordable within the overall budget available for the project. It is therefore recommended that Committee approve the land transfer and associated financial transaction. The land has been declared surplus to operational requirements by the Executive Director of Place.

Other committed projects

- 4.6 The projects to replace Victoria Primary School, deliver a new primary school on Canaan Lane and construct an extension at Boroughmuir High School are committed projects in the CIP. Each of these projects have reached a stage in the design process, where updated cost estimates are available. For various reasons including the limited upfront availability of developers' contributions, abnormal design requirements and increased market costs being returned through the procurement process additional funding of £9.1m is required to meet the construction costs for this infrastructure.
- 4.7 To address this budget gap, a realignment of budgets within the Communities and Families CIP is proposed. As outlined above, £3m can be transferred from the budget available for Craigmillar High School. In addition, it is estimated that £3.7m can be reallocated from Broomhills primary school, as contributions received from developers have meant that the Council's capital budget can be reallocated to other Local Development Plan Action Plan priorities.
- 4.8 In relation to delivery timescales which need to be met, the first priority is the replacement of Victoria Primary School, followed by construction of the new Primary School in Canaan Lane and then the Boroughmuir High School extension. The Victoria and Canaan Lane projects can be delivered utilising the £6.7m that is currently available to be reallocated. As reallocation would not affect the delivery of any other committed project it can be done under the scheme of delegation although Committee is asked to note that these changes will be made to ensure the delivery of committed projects. The additional funding requirement for Boroughmuir High School will be considered as part of the budget setting process in February

2020 and a preliminary allocation to cover remaining pressures has been made in the Capital Strategy report which is being considered as a separate item on the agenda of this Committee.

Priority 2 – Local Development Plan Action Programme Projects

- 4.9 In February 2020, full budgets require to be established for the next wave of education infrastructure outlined as being required in the Local Development Plan Action Programme if Communities and Families are going to meet the statutory requirement of education provision. This includes 3 primary schools and one new High School. In future years, budgets will require to be established for another 3 primary schools required as a result of housing development in different areas of the city.
- 4.10 The minimum requirements which must be provided in line with the Local Development Plan Action Programme and legal agreements with developers are a 21 class new primary school with early years provision in West Edinburgh as part of the Maybury development site, an 11 class primary school with early years provision as part of the new Brunstane development in North East Edinburgh, a 14 class primary school with early years provision in the Builyeon Road development within South Queensferry and additional secondary capacity for 420 secondary pupils in West Edinburgh.
- 4.11 Extensions to existing schools are also required because of the pupils generated by Local Development Plan housing allocations. These projects are delivered through the rising rolls programme and an update on requirements is provided to Committee every December once the annual update of the school roll projections has been completed.

Priority 3 – Condition based Replacement Projects

- 4.12 There are two schools which have been identified as requiring replacement due to their condition. The first is Currie High School which due to its structural condition is the top priority for replacement in the Wave 4 programme as reported to the Finance and Resources Committee on 11 October 2018. The cost of this project is currently estimated to be £43m and the Scottish Government has announced that funding for the project will be included in the initial phase of its Learning Estate Investment Programme. A feasibility study and masterplan are being progressed funded through the Hub South East Scotland enabling fund process.
- 4.13 The other school identified for replacement due to condition alone is St Catherine's RC Primary School. A budget of £12.8m for this project was allocated in the 2019-2020 Communities and Families CIP. However, this project is not being progressed until the outcome of the Service Design process for the Gracemount Area is known as further funding may need to be allocated to a project which includes delivery of a replacement St Catherine's Primary School within a wider improvement programme that provides enhanced community facilities, public realm and other public sector services.

Priority 4 – Schools identified for Replacement or Construction

4.14 The remaining schools which have been identified as requiring replacement, refurbishment or construction are those in the Wave 4 programme (except Currie High School which is identified in priority 3) and the requirement for a dedicated GME secondary facility which was indicated in the GME Growth and Development Strategy approved by the Education, Children and Families Committee in October 2018.

4.15 The remaining Wave 4 schools are Trinity Academy, Wester Hailes Education Centre, Liberton High School and Balerno High School. The Education, Children and Families requested that masterplans and feasibility studies for each of these schools be progressed.

4.16 A summary of the current progress at each school is provided below:

Trinity Academy – Phase 1 of this project, provision of new PE facilities on the Bangholm site, is funded and progressing. A preferred option for delivery of Phase 2 is being prepared and will be presented to the Education, Children and Families Committee in December for consideration.

Wester Hailes Education Centre – Through the Wester Hailes Education Working Group a staged approach to investment in this facility has been agreed. The design team have prepared initial proposals and costs for implementing a first stage of investment which focuses on provision of an all-weather sports pitch and refurbishment and reorganisation of the PE and community building.

Liberton High School – Initial engagement sessions have been held with staff, pupils and parents. A design team has been commissioned to prepare a masterplan for redevelopment of the school and further engagement will take place with all relevant stakeholders over the remainder of this year.

Balerno High School – As this was the lowest ranked project in the Wave 4 assessment a masterplan for the school will be developed when resources become available.

4.17 An indication of the funding available for these projects is provided in the Capital Budget Strategy Report which is being considered as a separate item on the agenda of this Committee. The budget availability does not fully align to requirements and Communities and Families will continue to work with finance to develop more detailed funding business cases for these projects as part of the budget setting process that culminates in February 2020. However, it should be noted that funding for all the Communities and Families project requirements may not be available immediately and use of available resources will need to be prioritised based on the categorisation shown in this report.

Project Development Costs

4.18 A review of how the early stages of major Communities and Families capital projects are funded was carried out recently and reported to the Asset Management Board on 23 August 2019. This report is included in appendix 1. The report

recommends that a development budget for capital projects requires to be established so that appropriate resources can be commissioned to assist with the preparation of a strategic education brief, a technical brief, an operational brief, a procurement strategy, capital budget requirements and a whole life costing exercise which all need to be completed for the detailed business case required before the Asset Management Board will recommend creation of a full capital budget to the Finance and Resources Committee.

5. Next Steps

- 5.1 If the recommendations in this report are approved then the next steps are:
- 5.2 Award the Contract for the construction of the replacement Castlebrae High School to Hub South East Scotland Ltd.
- 5.3 Complete the land transfer from Housing to Communities and Families for the new Castlebrae High School site.
- 5.4 Progress with the delivery of committed projects following the budget realignments outlined in this report.
- 5.5 Complete further work on necessary business cases and remit future budget requirements for consideration during the budget setting process in February 2020.

6. Financial impact

Capital

- 6.1 The Capital Budget Strategy report, elsewhere on this agenda, sets out a framework whereby the Council's capital priorities can be funded. As funding availability does not fully match Communities and Families requirements, work with Finance will continue to develop more detailed funding business cases for projects as part of the budget setting process that culminates in February 2020. However, it should be noted that funding for all the Communities and Families project requirements may not be available immediately and use of available resources will need to be prioritised based on the categorisation shown in this report.

Project Development Costs

- 6.2 The report recommends the development of a project development budget, which would permit the development of detailed project business cases. This cost is incorporated within the overall project cost estimates contained in this report. However, as part of the budget process a mechanism will be developed to allow funding to be released prior to project approval to fund project development.

Revenue

- 6.3 A report to the Finance and Resources Committee on 23 May 2019 and referred to the Education Children and Families Committee on 16 August 2019 confirmed (in

paragraph 6.3) that further property running cost funding has been included within the budget framework to reflect rising school rolls; Wave 4 school programme and additional or expanded facilities linked to the Local Development Plan.

- 6.4 The other main revenue costs which require to be accounted for in future budgets are the school staffing costs and the finance team are aware of the scale of investment over the next 10 years so that the staffing budget implications can be taken into account during future budget setting processes.

7. Stakeholder/Community Impact

- 7.1 Engagement with all key stakeholders, including elected members and school communities will be undertaken through both informal and statutory consultation. All statutory consultations will be conducted in line with the procedures set out in the Schools (Consultation) (Scotland) Act 2010 as amended by the Children and Young People (Scotland) Act 2014.

8. Background reading/external references

- 8.1 [Wave 4 Investment Programme](#), Finance and Resources Committee, 11 October 2018
- 8.2 [LDP Action Programme](#), January 2019

9. Appendices

Appendix 1 – Asset Management Board Project Delivery Review

APPENDIX 1

Asset Management Board

23 August 2019

Edinburgh's Learning Estate – Project Delivery Review

1. Update

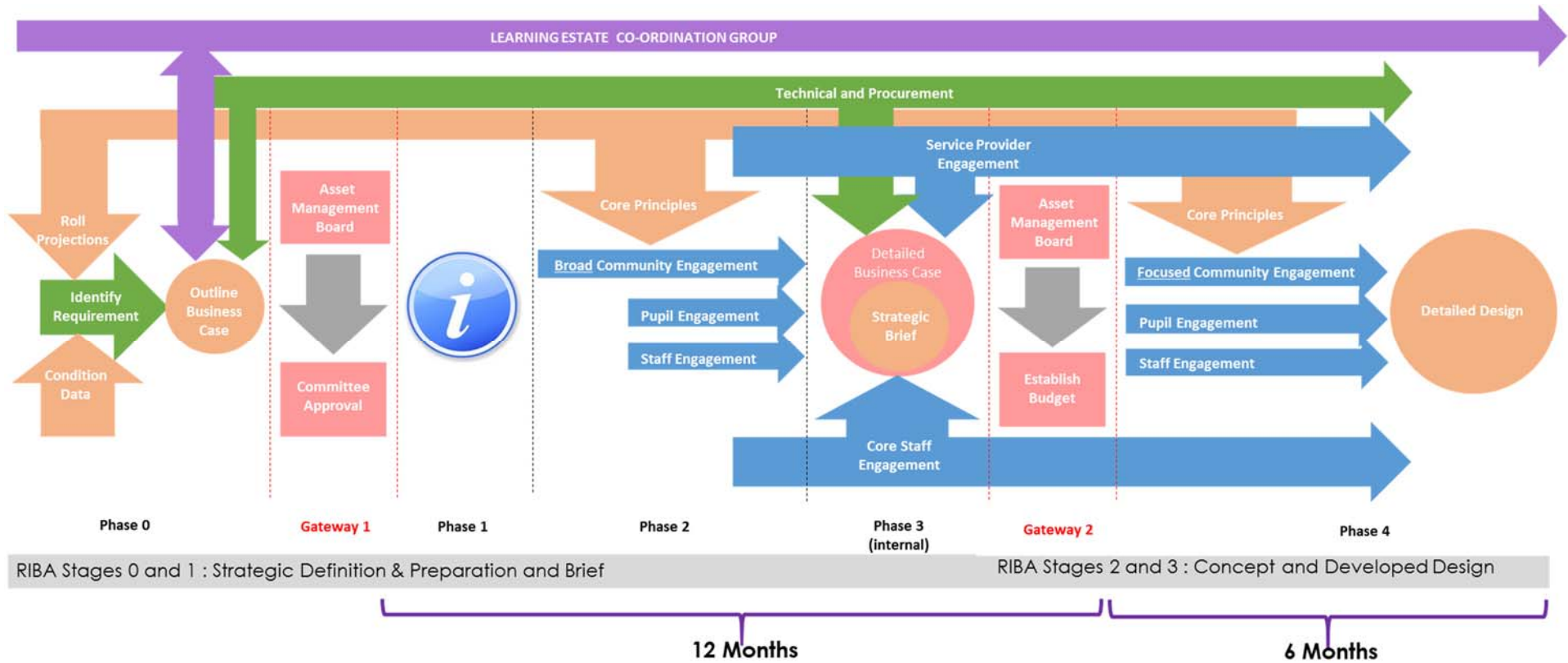
- 1.1 The diagram in appendix 1 outlines the key processes and timelines involved in delivering a Learning Estate investment project. The Learning Estate Co-ordination Group exists to oversee the development and delivery of outline business cases; committee reports; feasibility studies and detailed business cases and strategic briefs for individual learning estate investment projects. It is led by the Learning Estate Planning Team in Communities and Families with support from colleagues in Schools and Lifelong Learning, Property and Facilities Management and Finance. The Learning Estate Co-ordination Group ensures that any future Learning Estate investment will deliver “**more than a school**” by considering opportunities for integration, inclusion, estate rationalisation and ensuring that any community engagement carried out as part of the project follows the principles of the Service Design process.
- 1.2 The Learning Estate Planning Team has the resources to co-ordinate the delivery of an outline business case, carry out the necessary educational related stakeholder engagement and provide the Senior Responsible Officer role for all the learning estate programmes and associated projects. However, in order to deliver a comprehensive detailed business case at Phase 3 a strategic education brief, a technical brief, an operational brief, a procurement strategy, capital budget requirements and a whole life costing exercise need to be completed in advance.
- 1.3 The current structures and commissioning process within the Council do not provide business, programme/project management or technical/design support until a capital budget is established for the project. There is no dedicated business support to service the Learning Estate Co-ordination Group meetings and no technical and design input or programme/project management support between Gateway 1 and Gateway 2. This results in the very important stages of significant investment projects being delivered in an ad-hoc manner whenever resources are available from different sources. Given the significant benefits – e.g. those aligned to the government's learning estate investment guiding principles - that can arise

from investment in the learning estate a more structured and focused approach to programme and project management and early design is required.

- 1.4 It was therefore agreed the Learning Estate Co-ordination Group would carry out a review of the current commissioning process and the professional project co-ordination and technical support services provided through fees once a capital project is established.
- 1.5 The group has met to carry out this review and the recommendations are as follows:
 - 1.5.1 The school estate roll projections will continue to be updated annually and the future project requirements report will be submitted to the Education, Children and Families Committee every December. In advance of this report outline business cases should be submitted to the Asset Management Board for consideration.
 - 1.5.2 Following the Committee, the relevant members of a design team (including engagement and whole life costing specialists where required) would be commissioned on a fee-based approach to assist with completion of RIBA stages 0 and 1 and the preparation of the detailed business case including strategic education brief, a technical brief, an operational brief, a procurement strategy, capital budget requirements and a whole life costing exercise. Capital project budgets will not be established at this point therefore consideration has to be given to the creation of a general project development budget to cover commissioning costs.
 - 1.5.3 Full input from all relevant Council employees during this stage is vital but it can't be paid for from capital project budgets as they are not available. Therefore, consideration must also be given to charging any necessary internal costs to a general project development budget.
 - 1.5.4 The detailed business case including strategic education brief, a technical brief, an operational brief, a procurement strategy, capital budget requirements and whole life costing analysis will then be submitted to the Asset Management Board for consideration before being submitted to the Finance and Resources Committee and Full Council as appropriate as part of the normal budget setting process.
 - 1.5.5 Once a full budget is established the Learning Estate Co-ordination Group will take direct responsibility for securing all the necessary project support, design team and contractors for delivery and construction of all Learning Estate projects.

Appendix 1: Learning Estate Project Early Stages Programme

Page 101



Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Revenue Maximisation Project Report

Executive/routine Wards Council Commitments	Executive All
---	------------------

1. Recommendations

- 1.1 The Committee is recommended to:
- 1.2 Note the outputs from the diagnostic work undertaken during the initial 3 months of this project.
- 1.3 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.
- 1.4 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.
- 1.5 Agree that the Executive Director of Resources will provide a further update report to the Committee in March 2020.

Stephen S. Moir

Executive Director of Resources

Resources Directorate

E-mail: stephen.moir@edinburgh.gov.uk | Tel: 0131 529 4822

Revenue Maximisation Project Report

2. Executive Summary

- 2.1 This report and the associated appendix provides the Committee with an update on the revenue maximisation project work that has been undertaken during the last 3 months. The Committee is 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.

3. Background

- 3.1 The City of Edinburgh Council's revenue funding is provided in a number of ways, with the majority being attributable to Scottish Government funding, Council Tax and the distribution of Non-Domestic Rates income. However, the Council also generates income from a number of services and through the application of fees and charges for a range of functions. Given the increasing pressure that the Council's revenue budget is being placed under, the opportunity to review options to further maximise existing revenue and to consider new opportunities to generate revenue is deemed an important element of the Council's long-term financial strategy.
- 3.2 During the previous Administration, a member led working group examined income maximisation opportunities and recommended a number of proposals to the Committee. This report and the diagnostic work undertaken during the last 3 months builds upon this work and seeks Committee endorsement to progress this work further, aligned to the Change Strategy and Financial Planning for 2020/21.

4. Main report

- 4.1 The Council generates a significant level of revenue annually to support the sustainability of its revenue budget. The generation of revenue arises from a combination of key areas such as: parking charges, fees and charges for a range of facilities and discretionary functions and the management of the Council's property investment portfolio.

- 4.2 The Council has a strong history of effective financial management, with balanced revenue outturn positions achieved in each of the last 12 years. The Council's corporate finance arrangements and treasury management functions continue to deliver robust returns to the authority whilst ensuring prudent management.
- 4.2 The Council has applied a consistent charging policy of RPI plus 2.0% per year for a number of years, which has proven successful to date and has supported effective financial planning and management.
- 4.3 The Council's Commercial Excellence Programme has ensured the achievement of more than £180M in savings and benefits, over a number of years, ensuring that the Council's supply chain is well managed and balances both quality and value for money requirements.
- 4.4 As the other reports to this meeting of the Committee identifies, the Council's medium term financial framework outlines the increasing pressures facing the Council's services and revenue budget. To ensure that the Council continues to deliver a sustainable financial position and can support the essential public services that citizens need, the opportunity to maximise further existing revenue streams and deliver new revenue streams, supported by a more commercially aware culture and structure is considered key. As part of developing the Council's approach to this work, a 3 month diagnostic project has been undertaken to assess the baseline position and provide findings that the Council can consider to take forward this activity. This project has drawn upon good practice in other local authorities and public bodies across Scotland and the UK. Engagement workshops have been held with frontline staff in a number of key areas and with members of the Finance and Resources Committee to inform the findings presented to Committee and the more detailed analysis and ideas generated to date.
- 4.5 The high level findings associated with this report are provided to seek Committee endorsement of both the proposed direction of travel and the principle of revenue maximisation and the generation of new revenue streams, which are consistent with the Council's overall Change Strategy and Budget.

5. Next Steps

- 5.1 Subject to the endorsement of the Committee the next steps would involved taking forward a further phase of work to ensure the necessary data was available to support revenue maximisation

6. Financial impact

- 6.1 The financial impact of the report to date has been the cost involved in the secondment of the external and dedicated expertise from EY to undertake this detailed diagnostic work, alongside the Chief Procurement Officer and Finance staff. These costs have been fully contained within the Resources Directorate revenue budget for 2019/20.

7. Stakeholder/Community Impact

- 7.1 Not applicable at this stage.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1 – Revenue Maximisation Project – Presentation

The City of Edinburgh Council

Revenue Maximisation Project Finance and Resources Committee Update 10 October 2019



- The balance between revenue maximisation and the Council’s responsibility to deliver core services for the public remains a key issue in determining the success of any revenue maximisation programme.

Executive summary

The conclusion of this diagnostic project is that there are pockets of revenue maximisation activity however more could be done and greater revenue can be achieved.

- The Council will **receive £89m through revenue generation during 2019/20.**
 - One of the **Councils stated Outcomes is to achieve greater revenue** to address the current budget pressures.
 - Current state analysis showed the **approach to revenue maximisation is organisationally fragmented, current income streams are risk assessed as medium and there is not a consistent calculations to assess net revenue.**
- Staff workshops generated a **thorough but not exhaustive prioritised list of ideas for revenue generation.** These require further due diligence throughout subsequent phases to arrive at a more robust figure to include in budget planning.
- A new **centre of excellence, or small, expert team** with the appropriate **people, processes, data, partnerships and culture** should be created in order to achieve “**revenue maximisation by design rather than by exception.**”
- The centre of excellence will **develop the ideas already generated** along with **generating new ideas from a thorough review of current revenue received and a review of all services.**
 - The approach to delivering optimised revenue maximisation is **to implement these changes using a structured change management plan, creating a small, expert team and generating quick wins.**

Page 108.

Background and approach.

The Council is under increasing financial pressure though it has undertaken various operational efficiencies projects over the last 6 years.

- The Council is facing **increasing budget pressures** which is resulting in a **gap of more than £100m** over the next 4 years.
- To date the Council has delivered a powerful savings programme across third party spend through a Commercial Excellence programme completed in 2018.
- **Targeted focus on revenue maximisation** is needed to protect existing income and grow new income.
- **The calculation of net revenue** should be embedded to allow decisions to be taken which are in the Councils best interests supported by data.

The Council has **a strong incentive to adapt its approach** to revenue maximisation and in doing so move to a leading model that is able to:

- **Accurately evaluate** current and future revenue streams
- **Maximise the sustainable revenue** streams in the current portfolio
- **Adapt and capture new policy and revenue opportunities** that arise
- **Create an environment** that attracts and enhances new opportunities in the medium and longer term

“Maximised revenue by design, not exception”

The objective of a revenue maximisation programme would be to embed the structure to achieve revenue in a targeted, consistent and managed way therefore achieving revenue by design, not exception

Overall project approach timeline.

This report details the recommendations the Council should adopt to maximise its revenue.

As-is assessment through to Revenue Maximisation

- 1 Doing today - Current state assessment
- 2 Doing more - What options are there to do more revenue maximisation?
- 3 Doing tomorrow - What is the best structure to maximise revenue?
- 4 Optimising the business - implementation of recommendations
- 5 Increase in revenue to improve over time

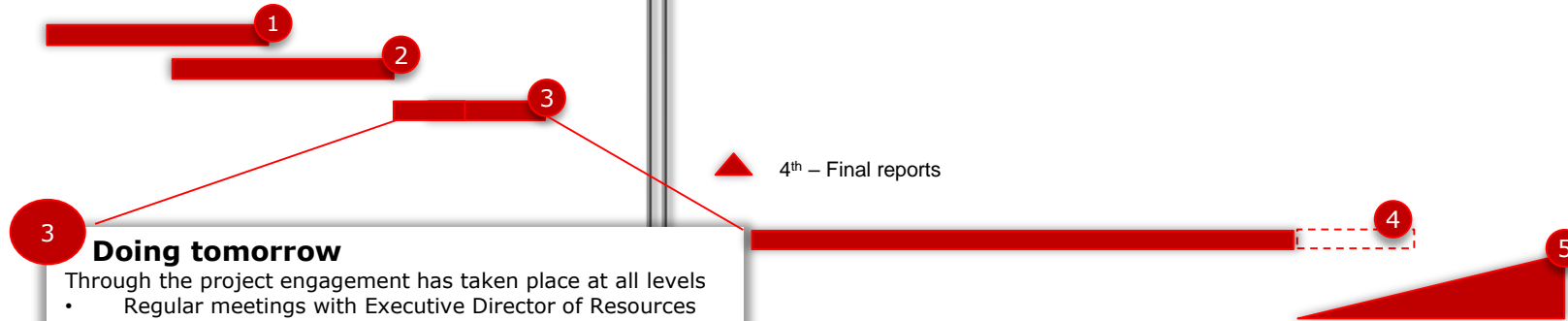
Page 110

Current State Diagnostic

July August September

Implement and Manage

October November December Q1 Q2



Doing tomorrow

- Through the project engagement has taken place at all levels
- Regular meetings with Executive Director of Resources
 - Regular meetings with Finance and Strategy and Comms
 - 1-2-1s with Heads of Service
 - Two meetings with Elected Members
 - Over 50 people engaged in 5 workshops at a service delivery level.
- Additional insights have been gleaned from:
- Other local authorities across the UK
 - Major policing organisations
 - Current guidance (Association for Public Service Excellence)

Complexity

- The workshops with staff have initiated the process of employees thinking differently about revenue and how this is maximised. This is the start of the cultural shift that needs to happen.
- Further engagement is necessary to implement and manage a programme of revenue maximisation.

Overview of opportunity and recommendations.

The single most important short term step is to be able to systematically evaluate the current and future opportunities.

What can this deliver for the Council?



It has been identified that there is an additional gross revenue benefit that can be delivered over the next 3 years, with the potential to generate more. Such a figure would require substantial due diligence and strong political support and the underpinning capacity to deliver it.



Improved "customer" experience for citizens, service users and national/international visitors creating a virtuous cycle.



An agile organisation that has the governance and interfaces to extend and adapt as policy changes and service users change.

Complexity

- Councils have not traditionally focussed on the "customer" and the different customer types that they address with service offerings.
- Any increases in revenue must be seen in isolation of market conditions for instance reduction in commercial property insolvency of tenants.

Overview of opportunity and recommendations (cont).

To deliver optimised revenue the Council need to have an agreed net revenue template calculation and the right organisation, opportunities and approach.

1

Net revenue calculation

- Evaluate current net revenue to make data driven investment decisions.
- Create a model to calculate the total cost inputs (direct and indirect) to calculate fully loaded costs.
- Apply net revenue model to decide which revenue ideas to pursue.

2

Organisational Structure

- People.
- Process and governance.
- Culture.
- Data and technology.
- Customers.
- Partners.

3

The Right Opportunities

- Continuous ideas generation.
- Full review of all services.
- Full review of current revenue.
- Prioritising the right opportunities to deliver the greatest benefit.

4

The Right Approach

- Consolidated project plan.
- Implementation of centre of excellence.
- Prioritisation of quick wins for FY2020/21 benefit.

Complexity

- Cultural change that is required to achieve optimised revenue needs to be carefully managed to ensure the support of all staff who are involved in this project.
- Careful internal and external communications need to be considered to ensure the correct messages are conveyed.

Political context and Council priorities.

In taking forward any programme of revenue maximisation the wider national and local political context and the Council's stated priorities will have to be considered.

National Context

Scottish Government

- A programme that achieves increased revenue should be considered in light of any potential reduction in the Councils general revenue grant to ensure that there is a net positive impact.
- The Scottish Government should be engaged to confirm whether they would support a revenue maximisation programme in the current legislative environment.

Local Government Context

Elected Members

- In conversations with key elected members to date they have been supportive of revenue maximisation as a principle.
- A workshop with the Finance and Resources Committee members has explored how this support will apply to the ideas that have currently been demonstrated and how any programme will be implemented.

Council Priorities / Change Strategy

- Revenue maximisation is one of the Council's stated Outcomes.
- Revenue maximisation should be viewed as one tool to be applied when strategically assessing services and service delivery and a calculation of a net positive revenue position does not mean that the Council can, and should, proceed.
- Other priorities such as the focussing services upon addressing poverty and sustainability may necessitate the application of appropriate charges to promote behavioural change.

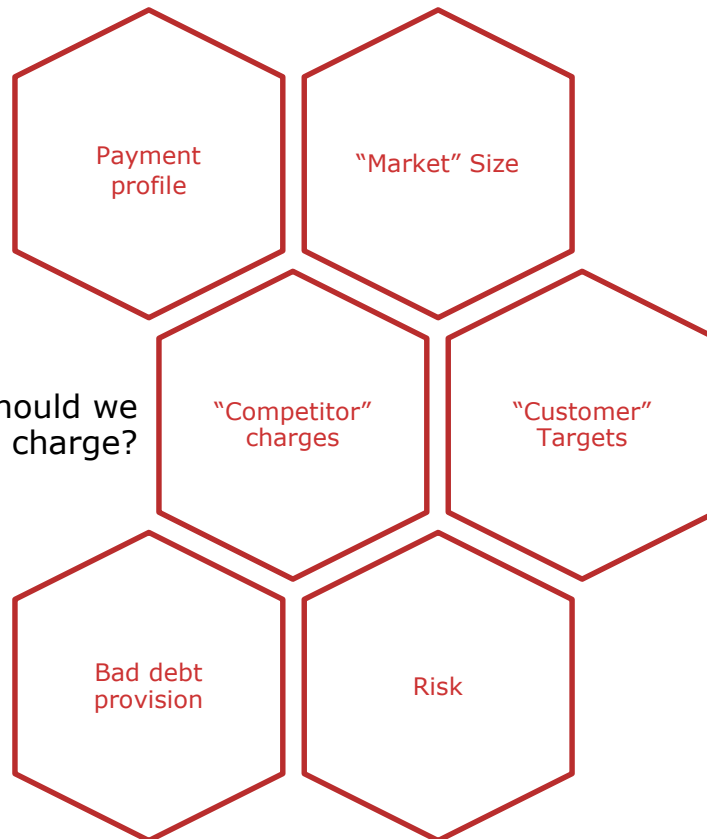
- A revenue maximisation programme has to consider a number of complex stakeholders and priorities.
- Revenue maximisation is only one consideration in the review and redesign of Council services. Other priorities, where they conflict, may take rightly need to take precedence.

The right financials

Making data driven investment decisions requires a net revenue projection that includes full cost recovery and substantiated income projections.

Net revenue = income projection – full cost recovery

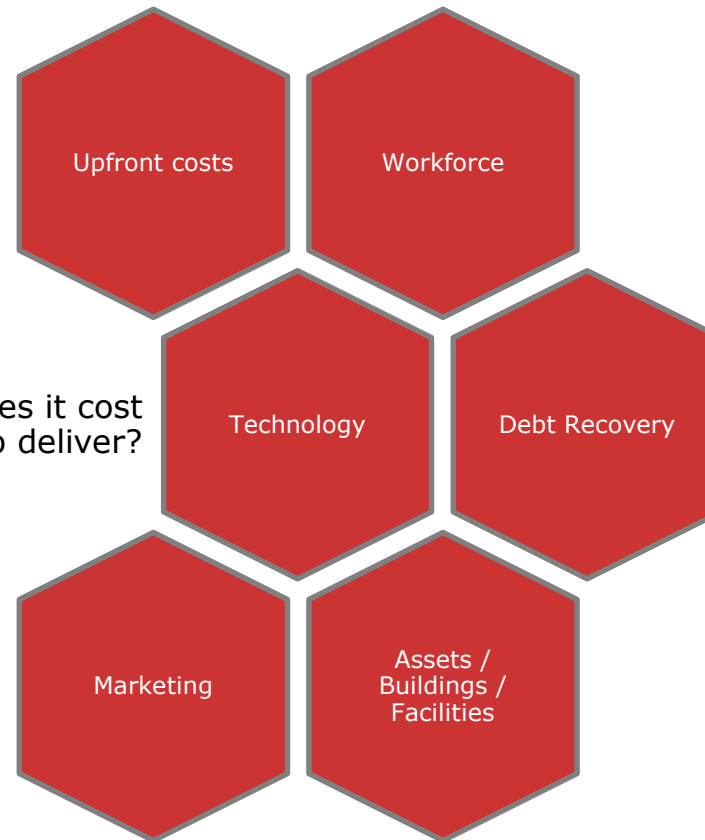
Income Projection



Page 114

What should we charge?

Full Cost Recovery



What does it cost us to deliver?

Complexity

- Net revenue will involve estimates about the total size of market to target and an assessment of risk.
- Full cost recovery may not be able to be achieved if the efficiency of delivering the service is not currently optimised. A process of optimisation using the Council's Lean and Intelligent Automation teams therefore may preclude any revenue maximisation activity for certain ideas.

- The right organisational structure will include a blended team of Council staff and external expertise with support from Elected Members, the Corporate Leadership Team and Heads of Service.
- The organisational structure requires Council wide rollout of key enablers such as online payment platforms, online booking and consistent application of payment practices.

The right organisational structure.

The organisational structure for optimised revenue maximisation is comprised of 6 elements.

People



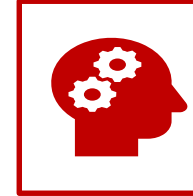
- What capability and team is required?
- What skills are required?
- What is the team organisation and reporting line?
- How will the team be targeted and measured?

Process and Governance



- What processes do the team need to gain approval for activities?
- How are processes applied across the Council?
- What processes facilitate an efficient flow of approval for ideas?

Technology and Data



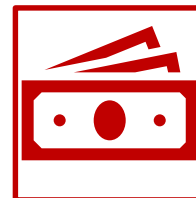
- What data does the team need in order to function?
- How often does the team need this data?
- What management information will the team produce for the wider organisation?

Partnerships



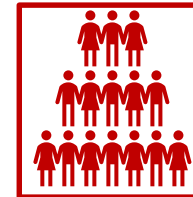
- What external organisations can supplement the internal capability?
- How should external organisations be engaged as part of programme?

"Customers"



- Who are the "customers" of the Council?
- What do the "customers" want from the Council?
- How can we embed "customer" centricity into everything we do?

Culture



- How does the team develop the right culture to optimise revenue?
- What culture is needed to prioritise revenue maximisation in services?
- How is a revision to the culture implemented?

Idea Generation.

We recommend a threefold approach to generating revenue ideas.

Complexity

- Workshops are not a systematic way of identifying all the opportunities but they do generate engagement and discussion on the topic with the service areas.

Idea generation



- 5 workshops and over 50 people engaged in idea generation to date as part of the current state diagnostic.
- Carry out a process of continuous improvement to generate ideas from within the Council and considering best practice from other local authorities and the private sector where appropriate.

Current Phase

Review of current income



- Thorough and structured review of all income to determine whether net income is received and if not
 - Review the service
 - Review the pricing
 - Apply operational efficiency targets
- The review should understand the risk profile of the current income and what strategies to put in place to mitigate and manage these risks.

Subsequent phases

Review of Services



- Review of all Council services to determine :-
 - Should they be chargeable?
 - Are we charging the right amounts?
 - Should they be continued? (in conjunction with Change Strategy, statutory duties and Council Outcomes.)

Recommendations

The Council needs to establish a formal programme of revenue maximisation with a consolidated project plan and centre of excellence underpinned by a series of quick wins.

Consolidated Project Plan



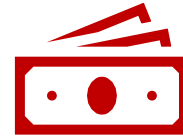
- Staged change management approach to implementing a revenue maximisation structure which focusses on establishing the pre-requisites to measure and manage changes and then implements the resources to further develop revenue opportunities.

Centre of Excellence



- Implement the organisational changes as proposed in this pack in order to have a focus to support the service lines to achieve maximised income.
- In creating a centre of excellence the people, process, data and technology, "customers", partners and culture needs to be considered.

Quick Wins



- Generate a pipeline of quick wins to demonstrate additional value through sustained focus on revenue maximisation.
- Utilise quick wins to test the process and governance and net revenue calculation.
- Communicate quick wins in order to gather support for the new centre of excellence team.

Complexity

- The capacity for change in the Council would have to be considered when embarking on the implementation programme as it will involve buy in from many employees outside of any proposed centre of excellence.

This page is intentionally left blank

Finance and Resources Committee

10.00am, Thursday 10 October 2019

Workforce Dashboard

Item number	
Executive/routine	Routine
Wards	All
Council Commitments	

1. Recommendations

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

Stephen S. Moir

Executive Director of Resources

Contact: Katy Miller, Head of Human Resources,
Human Resources Division, Resources Directorate

E-mail: katy.miller@edinburgh.gov.uk | Tel: 0131 469 5522

Workforce Dashboard

2. Executive Summary

- 2.1 This report provides a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of July 2019.

3. Background

- 3.1 The dashboard reporting period is July 2019. Comparison is made to the previous dashboard reporting period, May 2019.

4. Main report

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

Core Workforce

- 4.2 All Figures referred to are contained in Appendix 3.
- 4.3 Our core workforce reduced this period by 463 FTE to 14,340 FTE, and the basic salary pay bill decreased by £11.4m to £433.7m. Workforce FTE and pay bill trends are shown in Figures 1 and 2.
- 4.4 Figure 3 shows the change in FTE for the Local Government Employee (LGE), Teaching, Chief Official and Craft Apprentice groups between May 2019 and July 2019. The LGE group decreased by 223 FTE and the Teaching group decreased by 240 FTE in the period.
- 4.5 Figure 4 shows the change in Directorate FTE between May 2019 and July 2019. There was a notable decrease in FTE (down 386 FTE) in the Communities and Families Directorate.
- 4.6 Permanent contracts decreased by 1 FTE, Fixed Term Contracts (FTCs) decreased by 390 FTE, acting up and secondment decreased by 48 FTE and apprentice/trainee contracts decreased by 4 FTE.
- 4.7 The annual cost of permanent contracts decreased by £30K and FTCs decreased by £10.8m. The cost of acting up and secondment arrangements decreased by £0.3m, and the cost of apprentices/trainees decreased by £62K.
- 4.8 The cost of organisation new starts was £975.2K and the cost of leavers was £1.6m.
- 4.9 The spend on Working Time Payments (WTPs) decreased by £12K to £728K.
- 4.10 Figure 5 shows longer term Local Government Employee workforce change, between June 2015 and July 2019 (i.e. before and after Transformation).

Flexible Workforce

- 4.11 In the period, this workforce was equivalent to approximately 928 FTE. The associated costs for this period decreased by £673K. (Figure 6).
- 4.12 The spend on the agency workforce decreased by £615K and cost the organisation £1.35m in the period. Of the total spend, 92% is attributable to the primary and secondary agency suppliers, whilst 8% relates to off-contract spend. The agency workforce this period was the equivalent of 462 FTE, with an average monthly workforce of 613 FTE (12-month average).
- 4.13 The agency cost trend is shown in Figure 7. Note that month on month agency cost fluctuation can be linked to the nature of the billing process.
- 4.14 The casual/supply workforce spend increased by £108K this period. The casual/supply workforce this period was the equivalent of 213 FTE, with an average monthly workforce of 195 FTE (12-month average). The casual/supply cost trend is shown in Figure 8.
- 4.15 The total cost of overtime this period was £769K, down £154K since the previous period. A breakdown of the spend by overtime "type" is detailed in Figures 9 and 10. Around 63% of the spend was made at the enhanced overtime rate, 1% was

paid at the public holiday rate, 18% was paid at plain time, and 11% related to call-out hours. The overtime/additional hours worked this period was the equivalent of 253 FTE, with an average monthly workforce of 263 FTE (12-month average, callout hours excluded from FTE reporting). The overtime cost trend is shown in Figure 11.

Surplus Workforce

- 4.16 The total number of employees on the redeployment register has increased by 10 individuals since the last period.

Of the 34 employees currently surplus; 22 have been temporarily redeployed and 12 are not currently redeployed into a temporary solution but are carrying out meaningful work in their old service area.

The funding arrangements for the total surplus FTE is as follows; 20.6 FTE are corporately funded, 9.0 FTE are funded by their service and 2 FTE are funded externally.

- 4.17 Of those corporately funded; 9.2 FTE are currently redeployed and 11.4 FTE are not currently redeployed. 12.6 FTE of the corporately funded FTE have been on the redeployment register for longer than 12 months, 1.0 FTE for a period of 6-12 months and 7.0 FTE for less than 6 months.
- 4.18 Employees who are part-funded corporately and by the service, and on-costs for NI and Pension, are included within the figures as appropriate.
- 4.19 As at the middle of July 2019, 1,047 FTE have left, or agreed to leave, the organisation under VERA/VR arrangements, achieving recurring savings of £40.1m since September 2015.
- 4.20 Following approval of new Council policy in respect of managing organisational change, we are currently implementing revised processes aimed at enhancing the support provided to displaced employees and minimising the length of time spent seeking redeployment.

Absence

- 4.21 In the period the monthly absence rate (reflecting days lost to absence in July 2019) decreased from 4.99% (May 2019) to 4.16% (see Figures 12, 13 and 14). The monthly absence trend for 19/20 is like that observed in 18/19.
- 4.22 The rolling absence rate for the organisation for the 17/18 year was 5.49%, reflecting 174K working days lost to absence in the period (approx. 775 FTE) (see Figures 15 and 16). The rolling absence rate for the organisation for the 18/19 year was 5.18%, reflecting 168K working days lost to absence in the period (approx. 748 FTE). Comparison of the 17/18 and 18/19 rolling rate demonstrates an overall reduction in organisation absence in the last 12 months.

Next Steps

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

5. Financial impact

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

6. Stakeholder/Community Impact

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

7. Background reading/external references

- 7.1 Workforce Control Report and Dashboard to Finance and Resources Committee on 15 August 2019.

8. Appendices

Appendix 1: Finance and Resources Committee Workforce Dashboard

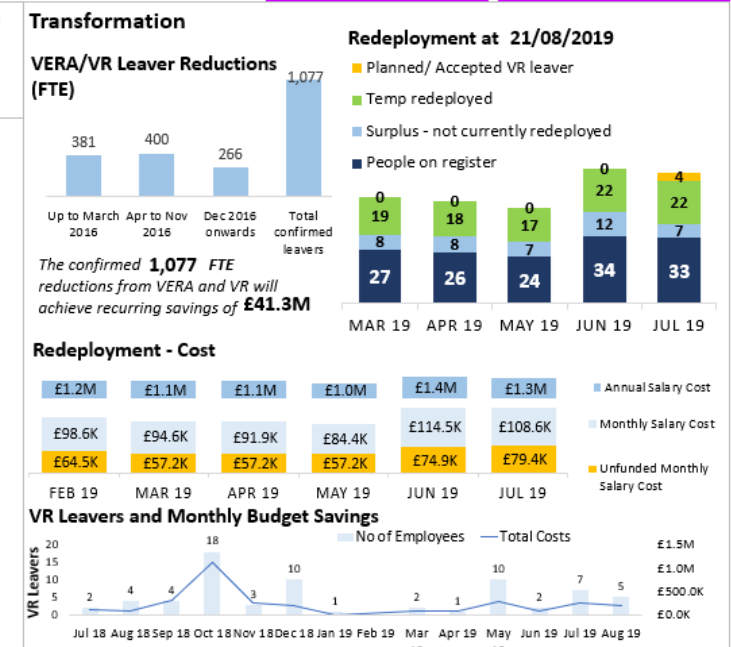
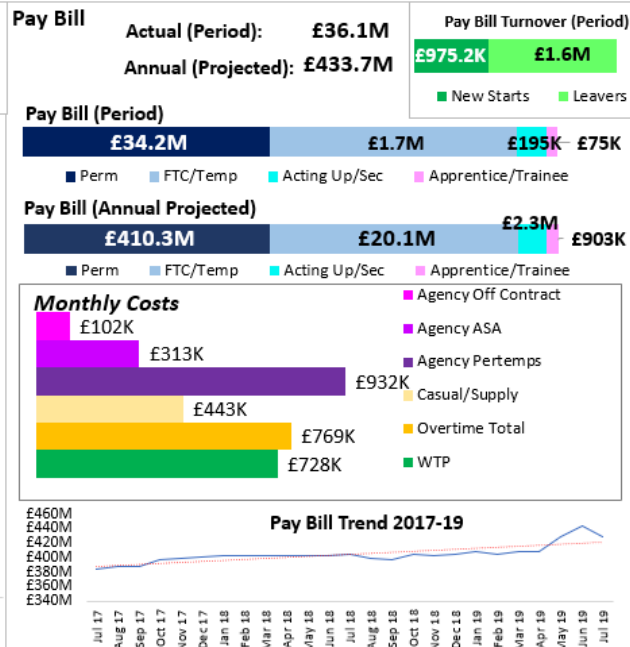
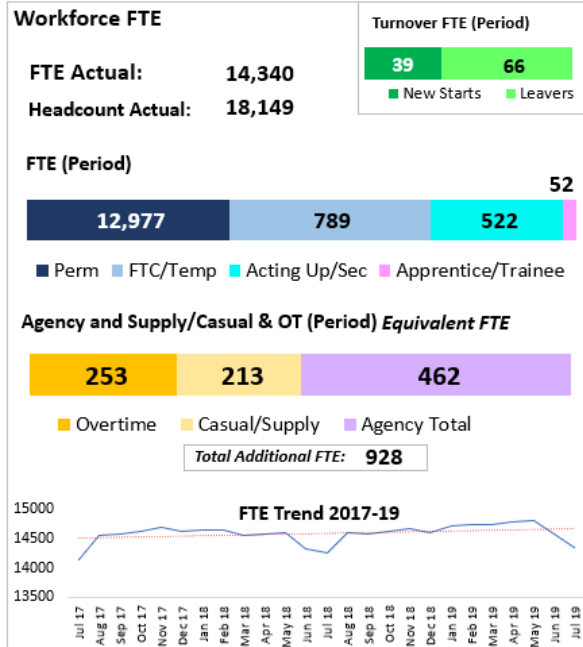
Appendix 2: Finance and Resources Committee Workforce Dashboard Glossary

Appendix 3: Workforce Management Information and Trends

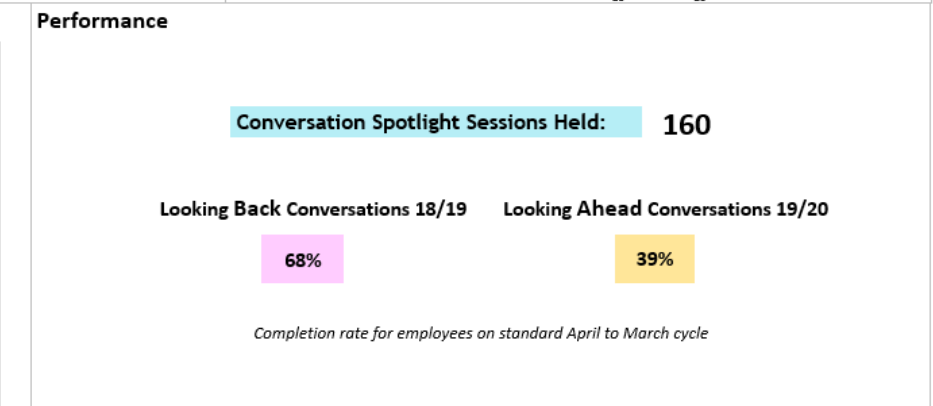
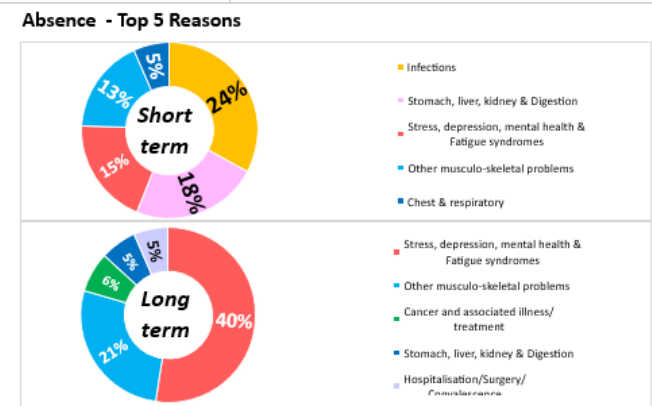
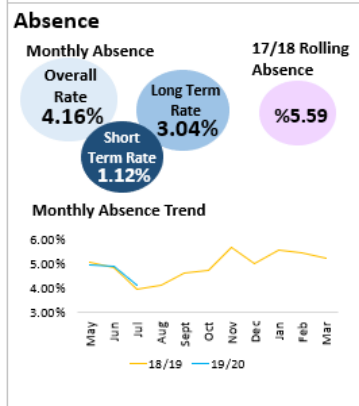
Appendix 1: Finance and Resources Committee Workforce Dashboard

Workforce Dashboard: Finance and Resources Committee

Period: July 19 | Issued: 30 Aug '19



Page 124



Appendix 2: Finance and Resources Committee Workforce Dashboard

Workforce Dashboard Glossary: Finance Resources Committee

Workforce FTE

FTE Actual: Sum of FTE for all staff on CEC payroll
Count of total contracts/positions is not reported here

Headcount Actual: Total number of individual employees on CEC payroll

FTE (Period)

Breakdown of FTE by contract type for all staff on CEC payroll. A snapshot taken on 25th of each month (post 2nd payroll calc to capture all contractual changes, leavers etc). New starts after 1st of month are removed and included in the next month's FTE analysis. This methodology enables better syncing of workforce FTE data and new start/leaver data.

Additional FTE* (Period)

Breakdown of additional working hours utilisation for overtime represented as equivalent FTE. Agency cost and supply/casual cost converted to notional FTE value using average annual salary cost of £35/£25K per FTE.

Overtime - actual units of time claimed/paid for additional hours (excludes call-out OT hours) at last transaction date. Data extracted at week 1 to capture late payments.

Agency - cost of weekly invoicing from Pertemps, ASA and off-contract agencies for the last month. Data extracted after last weekly payroll in preceding month.

Casual/supply - cost of hours claimed at last transaction date. Data extracted at week 1 to capture late payments.

FTE calculated on the basis that a full-time Local Government Employee works 36 hours per week over 52.18 weeks (1878 hours). This calculation will be developed to take into account a 35 hour working week for Teacher contracts and any other conditions identified at consultation.

FTE Trend

Archive data from previous S&I dashboard process.

Turnover FTE (Period)

Organisation new starts and leavers in the month. Does not report on internal new appointments (e.g. additional contracts, promotion) or ended contracts for multi-position holders (where other positions are still live).

Absence

All tables and graphs based on preceding 12 months absence data for all staff on CEC payroll.

Data extracted at week 1 to capture late

Trend data - archive data from previous S&I dashboard process.

Pay Bill

Actual (Period): Sum of pro-rated basic salary for all staff on CEC payroll

Annual (Projected): Sum of pro-rated basic salary for all staff on CEC payroll*12

Pay Bill (Period)

Breakdown of basic pay by contract type for all staff on CEC payroll. Same reporting conditions as for FTE.

Pay Bill (Annual Projected)

Breakdown of basic pay by contract type for all staff on CEC payroll*12. Same reporting conditions as for FTE.

For trends analysis it should be noted that workforce FTE/cost vs new start/leaver FTE/cost will never match exactly due to the "internal churn" of the existing staff population, e.g. changes to working hours, additional contracts).

Monthly Costs

Actual cost of hours claimed for overtime, agency and casual/supply and payments made in period. Actual cost of transactions for all working time payments (variable, shifts, weekend, nights, disruption) at the last transaction date.

Pay Bill Turnover (Period)

As FTE. Costings report on the annual basic salaries (pro-rated) for new start and leaver populations.

Pay Bill Trend

Archive data from previous S&I dashboard process.

Transformation

VERA/VR Leaver Reductions (FTE)

Data from Finance at week 4 of month.

Redeployment - People

Headcount of staff on redeployment register with status surplus, temp redeployed, future dated VERA/VR leaver. Data extracted at 27th of month.

Redeployment - Cost

Pro-rated basic salary data for staff on redeployment register.

VR Leavers and Cumulative Budget Savings

Data from Finance at week 4 of month.

Performance

Looking Ahead Conversations

Total number of conversations where target date for completion has been reached (last day of preceding month). Data extracted at week 1 to capture late input. Different service areas have varying rolling dates for completion of GR1-4. Staff do not fall into scope for completion analysis until the last day of their target month for completion has passed.

Looking Back Conversations

Total number of conversations where target date for completion has been reached (last day of preceding month). Data extracted at week 1 to capture late input. For the standard cycle, all looking back meetings should have taken place by 31/03/18. Different service areas have varying rolling dates for completion of GR1-4. Staff do not fall into scope for completion analysis until the last day of their target month for completion has passed.

Conversation Spotlight Data from L&D.

Appendix 3: Workforce Management Information and Trends

Core Workforce: Management Information and Trends

Fig 1. FTE Trend

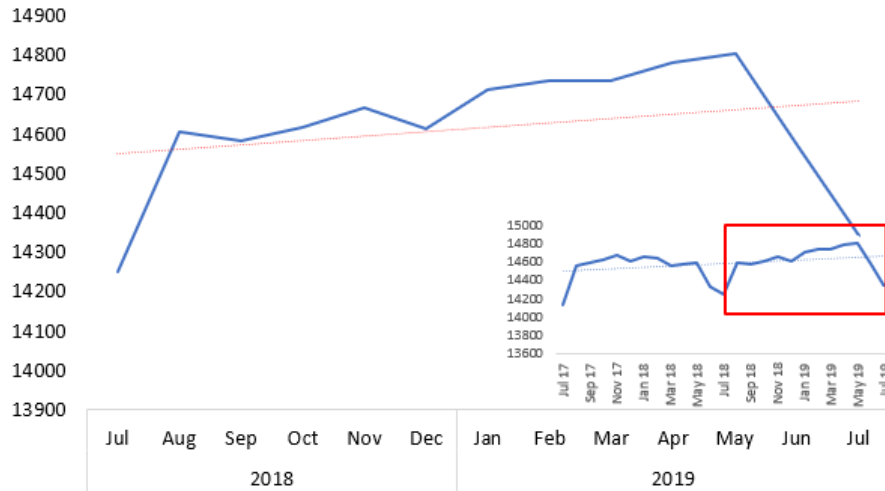


Fig 2. Pay Bill Trend

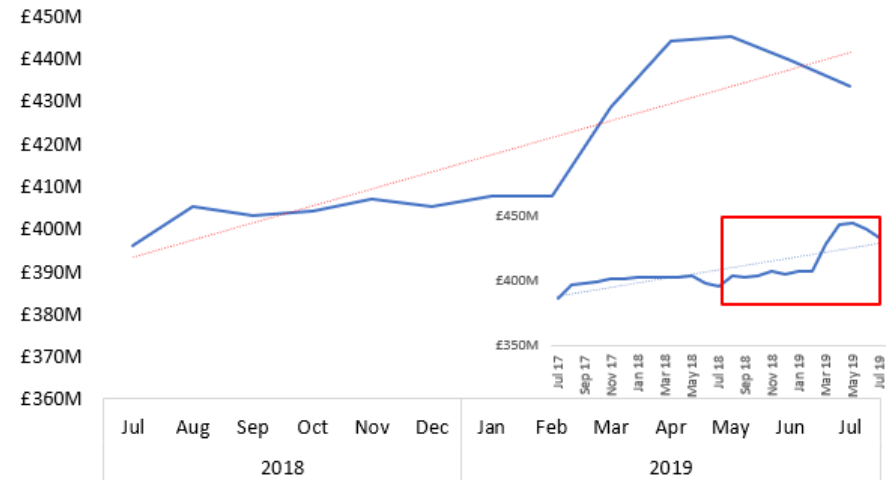


Fig 3. Core Workforce Groups

Category/ Group	May 2019		July 2019		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Local Government Employee GR1-GR12 including Craft	10975	13786	10752	13531	-223	-255
Chief Official	19	19	19	19	0	0
Craft Apprentice	21	21	21	21	0	0
Teaching Total	3788	4643	3548	4578	-240	-65
Council Total	14803	18469	14340	18149	-463	-320

Fig 4. Core Workforce FTE by Directorate

Directorate	May 2019		July 2019		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Chief Executive	154	164	150	161	-3	-3
C&F	7844	10096	7458	9860	-386	-236
EH&SCP	2199	2510	2174	2482	-25	-28
Place	2331	2771	2323	2772	-8	1
Resources	2249	2899	2208	2845	-41	-54
Surplus	27	29	27	29	0	0
Council Total	14803	18469	14340	18149	-463	-320

Appendix 3: Workforce Management Information and Trends (continued)

Core Workforce: Management Information and Trends

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

Category/ Group	Grade	June 2015		June 2017		June 2018		June 2019		July 2019		June 15 to July 19	
		FTE	Basic Salary Cost	FTE	Basic Salary Cost	FTE	Basic Salary Cost	FTE	Basic Salary Cost	FTE	Basic Salary Cost	Change in LGE FTE	Change in LGE Basic Salary Cost
<i>Front Line Staff</i>	GR1	624	£8.1M	638	£8.4M	595	£8.1M	576	£8.3M	573	£8.3M	-51	£223.8K
	GR2	244	£3.4M	198	£2.9M	170	£2.5M	167	£2.6M	161	£2.5M	-83	- £900.1K
	GR3	2374	£38.2M	2124	£34.9M	2089	£35.1M	1965	£34.9M	1936	£34.4M	-438	- £3,794.9K
	GR4	2479	£45.8M	2567	£48.1M	2444	£46.8M	2549	£52.0M	2535	£51.7M	57	£5.9M
<i>Front Line Manager/ Specialist</i>	GR5	1808	£40.6M	1563	£35.2M	1545	£35.3M	1634	£39.6M	1642	£39.7M	-167	- £871.2K
	GR6	1421	£37.1M	1337	£35.9M	1397	£38.0M	1444	£41.8M	1433	£41.5M	12	£4.4M
	GR7	1520	£48.0M	1296	£42.1M	1294	£42.4M	1294	£45.2M	1293	£45.2M	-227	- £2,838.2K
	GR8	776	£29.2M	652	£25.1M	689	£26.7M	700	£29.0M	698	£28.8M	-79	- £353.7K
<i>Managers</i>	GR9	359	£15.9M	280	£12.9M	281	£13.0M	279	£13.9M	281	£14.0M	-78	- £1,944.6K
	GR10	118	£6.3M	123	£6.5M	117	£6.4M	120	£7.0M	120	£7.0M	2	£686.9K
	GR11	47	£3.0M	36	£2.3M	36	£2.4M	38	£2.7M	37	£2.6M	-10	- £319.8K
	GR12	31	£2.2M	33	£2.4M	38	£2.8M	42	£3.3M	42	£3.3M	11	£1.1M
Total		11801	£277.8M	10849	£256.8M	10694	£259.4M	10808	£280.5M	10751	£279.1M	-1050	£1.3M

Appendix 3: Workforce Management Information and Trends (continued)

Flexible Workforce: Management Information and Trends

Fig. 6 Flexible Workforce in Period

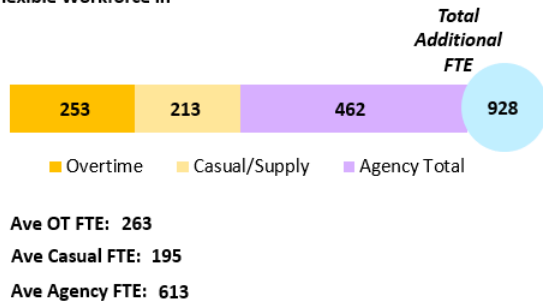


Fig. 7 Agency Trend

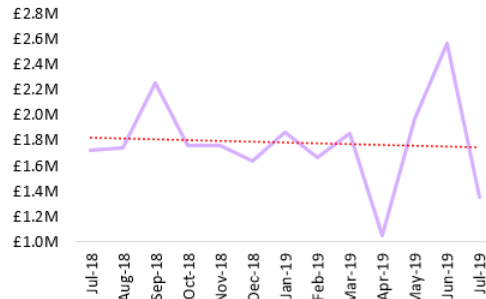


Fig. 8 Casual Trend

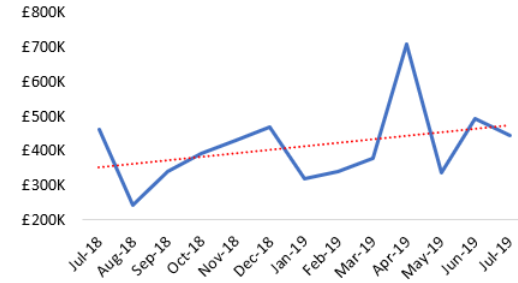


Fig. 9 Overtime by Type in Period

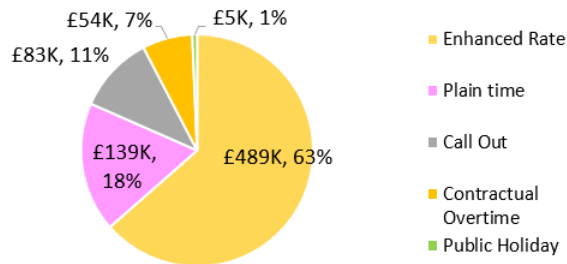


Fig. 10 Overtime by Type in Period - By Directorate

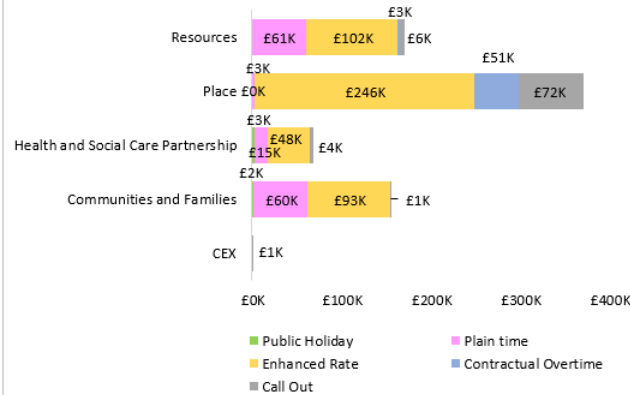
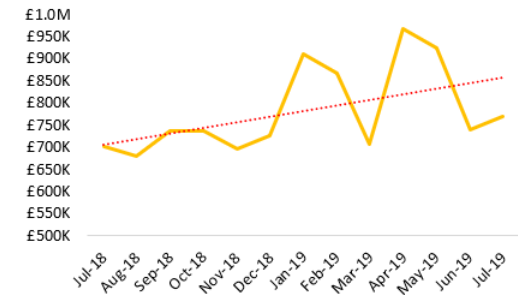


Fig. 11 Overtime Trend



Appendix 3: Workforce Management Information and Trends (continued)

Core Workforce: Management Information and Trends

Fig 12. Monthly Absence Rate

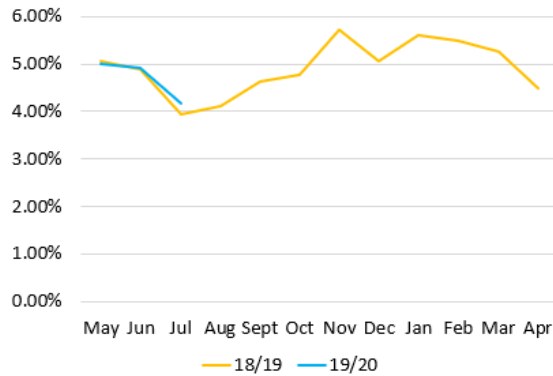
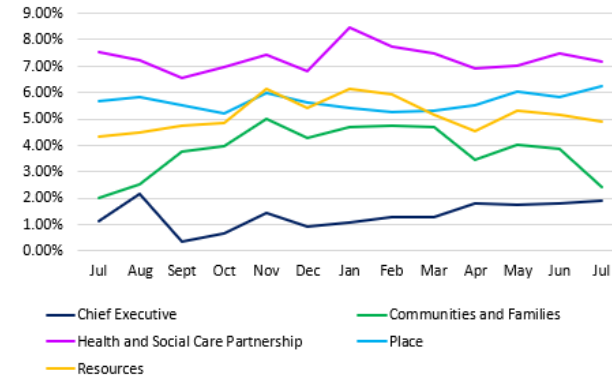


Fig 13. Monthly Days Lost

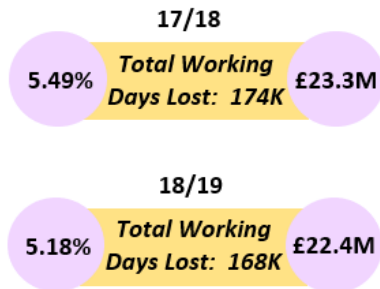
	18/19	19/20
May	13,842	13,862
Jun	12,906	13,139
Jul	10,611	11,395
Aug	11,776	
Sept	12,361	
Oct	13,207	
Nov	15,269	
Dec	14,003	
Jan	15,445	
Feb	13,701	
Mar	14,606	
Apr	12,051	

Fig. 14 Monthly Absence Rate 18/19 - Directorates



Page 129

Fig 15. Rolling Absence Rate

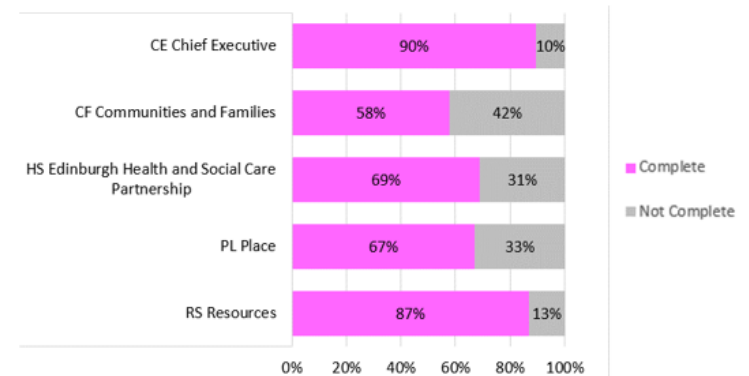


Working days lost to absence between April and March 17/18 + 18/19

Fig. 16 Rolling Absence - Directorates

Directorate	Rate 17/18	Days Lost 17/18	Rate 18/19	Days Lost 18/19
Chief Executive	2.78%	1K	1.33%	0.4K
Communities and Families	3.61%	55K	3.76%	65K
Health and Social Care Partnership	9.05%	45K	8.51%	42K
Place	6.47%	33K	6.37%	33K
Resources	6.38%	31K	5.72%	28K

Fig. 17 Looking Back 18/19 Conversation Completion July 19



Finance and Resources Committee

10.00am, Thursday 10 October 2019

Community Centre Leases

Item number	
Executive/routine	Executive
Wards	All
Council Commitments	35

1. Recommendations

1.1 That Committee:

- 1.1.1 Approve the principle of implementing modern leases on standard terms for all community centres with management committees;
- 1.1.2 Approve consultation with the management committees on the draft standard lease terms appended to this report.

Stephen S. Moir

Executive Director of Resources

Contact: Lesley Turner, Operational Estates Manager,

Property and Facilities Management Division, Resources Directorate

E-mail: lesley.turner@edinburgh.gov.uk | Tel: 0131 529 5954

Community Centre Leases

2. Executive Summary

- 2.1 The leases for community centres date to the mid-1990s and require modernisation. This report seeks approval to the principle of modernising the leases on standard terms for all the community centres and proposes consultation with centre management committees in this regard.

3. Background

- 3.1 Many of the Council's 40 community centres are leased out to management committees who work in partnership with Lifelong Learning in Communities and Families and Business Support in Resources to deliver a programme of activities. As well as providing a team to resource the delivery of activities, one of the key benefits of this arrangement is that the management committees receive 100% relief on non-domestic rates due to their charitable status. The majority of the current leases date back to 1994 and require modernisation, particularly in relation to the items such as the insurance clause, sub-leasing provisions and Council use of the facilities.
- 3.2 Since the leases were put in place, anomalous and/or informal situations have arisen in some centres and it is proposed that these will require proper governance as part of lease renewal process.

4. Main report

- 4.1 Following the meeting of the Finance and Resources Committee, on 15 August 2019, a workshop was held with the Committee members to discuss community centre leases. As an outcome of that discussion, members supported a report being brought forward for formal consideration, recommending that the existing leases be modernised and standardised and that the management committees be consulted on the proposed terms of the leases. It is proposed that the consultation will form a combination of offering 121 meetings and group discussions.
- 4.2 Appendix 1 contains the proposed draft standard terms for the committee's consideration.

- 4.3 Some of the community centres concerned have use that is more commercial in nature. Where this is the case, it may be appropriate to seek a contribution from the management committee towards the running costs of the building, rather than the Council providing a full subsidy. The principle of this will form part of the consultation and the next committee report will include more detail on how this could work in practice.

5. Next Steps

- 5.1 If committee approves the recommendation of this report, consultation on the draft standard lease terms will be carried out including all the management committees with a further report brought to committee on the outcome of the consultation.

6. Financial impact

- 6.1 Under new leases, the lease obligations will be clearer and that will help avoid uncertainty over costs.
- 6.2 The management committees will be responsible for the payment of the Council's reasonable legal and property fees in preparing the new leases.

7. Stakeholder/Community Impact

- 7.1 Further information on this will be provided once the consultation mentioned above is completed.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Proposed standard lease Heads of Terms

Appendix 1 - Proposed Standard Lease Terms for Community Centres

1.	Property Address	Insert address for centre
2.	Landlord	The City of Edinburgh Council (CEC)
3.	Tenant	Community Centre Management Committee
4.	Transaction Type	New lease
5.	Extent of subjects	Attach proposed lease plan and area details
6.	Lease Duration	Varying from annual up to a maximum of 5 years depending on individual circumstances.
7.	Rent	Currently £1 pa but may change depending on what the centre is used for
8.	Repairing obligations	CEC to keep the premises wind and watertight and in safe condition. CEC will carry out other works as priorities and budgets allow.
9.	Permitted Use	The property will only be used as a community centre for enhancing education, leisure, health and wellbeing and improving conditions for the surrounding community.
10.	Alterations	Alterations are permitted but require prior CEC's consent in writing.
11.	Alienation	Assignment of the whole or of part will not be permitted. Subletting of the whole is not permitted. Subletting of part of the building is only permitted with CEC's consent in writing. This does not include short term room bookings.
12.	Insurance	CEC will insure the building and recover the premium from the management committee. The management committee is responsible for any contents insurance. The management committee will ensure they have public liability insurance with a minimum of a £10m limit per claim.
13	Non Domestic Rates	The management committee will be responsible for any rates payments. It is likely that the management committee will receive up to 100% rates relief.

14	Utilities and Soft FM services	Currently the Council meets all costs – option may be modified depending on what the centre is used for.
15	Health and Safety	The management committee will be responsible for various aspects of Health and Safety as defined by the Community Centre Handbook. Compliance with Health and Safety will be demonstrated to the Council and the management committee will attend appropriate health and safety training timeously.
16	Special Conditions	<p>The management committee will allow CEC to use the building as required without charge.</p> <p>The management committee will operate in accordance with the Council's model constitution for community centre management committees.</p> <p>The management committee will read, understand and adhere to the Community Centre Handbook at all times.</p> <p>Any lets for Festival purposes will include an obligation that the Tenant/Licensee will implement and abide by the Edinburgh Festivals Workers' Welfare Commitment (https://cultureedinburgh.com/workers-welfare) throughout the duration of this agreement.</p>

This page is intentionally left blank

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Lease for Drylaw Neighbourhood Centre, Groathill Road North, Edinburgh

Executive/Routine	Routine
Wards	5 - Inverleith
Council Commitments	35

1. Recommendations

- 1.1 That Committee approves the grant of a new 25-year lease to Drylaw/Telford Community Association on the terms and conditions outlined in this report and on such other terms and conditions that may be proposed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Claire Donaldson, Graduate Surveyor / Technician,
Property and Facilities Management, Resources Directorate

E-mail: claire.donaldson@edinburgh.gov.uk | Tel: 0131 529 5772

Lease for Drylaw Neighbourhood Centre, Groathill Road North, Edinburgh

2. Executive Summary

- 2.1 Drylaw/Telford Community Association wish to extend their lease for the Drylaw Neighbourhood Centre. The centre is not a Council funded community centre and is therefore one of a small number that are an exception to the centres referred to in a separate report on this agenda. This report seeks approval to grant a new 25-year lease.

3. Background

- 3.1 There are 40 Council owned community centres in Edinburgh, the majority of which are leased out to management committees. The management committees work in partnership with Lifelong Learning, Facilities Management and Business Support, and operate in accordance with the Council's model constitution for community centres to deliver a wide range of activities and other services to local communities.
- 3.2 There are also a small number of community centres that have been established and function without the Council incurring running costs or providing officer support. Drylaw Neighbourhood Centre is one such centre. In this case, the Council granted a lease of the land at £1 per annum and the Neighbourhood Centre was erected by Drylaw/Telford Community Association (the Tenant) funded through Urban Aid. The Council has no responsibility for the building.
- 3.3 The area of ground leased, as outlined red on the attached location plan (Appendix 1), is located in Drylaw and held on the Housing Account. The area extends across 4,600 sqm, or thereby, over a combination of developed urban land (1,600 sqm (35%), or thereby, and shaded grey on the attached location plan) and designated open space (3,000 sqm (65%), and shaded green on the attached plan). The potential for any major re-development of the site is limited given the open space designation.
- 3.4 This report was submitted to the Finance and Resources Committee, on 15 August 2019, but was continued so that consideration of the matter could be incorporated into a wider report on community centres. However, at a meeting with members of

the Committee, on 4 September 2019, it was acknowledged that this was not a Council funded facility and should be an exception to the wider Council funded community centres, which are subject to a separate report on this agenda.

4. Main report

- 4.1 Drylaw Neighbourhood Centre opened on 5 November 1995 and delivers a wide range of programmes for children, young people, adults, older people and families. The organisation is a charity with the objective of promoting the advancement of education, public participation in sport and the provision of recreation facilities, with the object of improving the conditions of life of the inhabitants of Drylaw/Telford. The charity is managed by a voluntary board of trustees.
- 4.2 The existing lease between the Council and the Drylaw/Telford Community Association dates from December 1994 and is due to end on 21 December 2019. Consequently, the Association has approached the Council stating their interest in a lease extension of 25 years on similar terms.
- 4.3 It is considered that a new lease is required rather than a lease extension as the lease terms require modernisation to reflect changes in law over the past 25 years. One of the consequences of this, from a strict legal perspective, is that the building reverts to the Council ownership, which would be the position in any event on conclusion of the original ground lease.
- 4.4 As with all new leases, options have been considered in terms of the appropriate rent in this case. Three options are legally available as follows:
1. Continue to lease the subject(s) at a nominal rent, at £1 per annum.
 2. Charge a rent of based on the area of ground, at £11,600 per annum (based on a comparable industrial ground leases).
 3. Charge a full market rent for the whole property (includes ground and community centre development), estimated at £35,000 per annum.
- Under all options, the tenant would continue to be responsible for all property costs.
- 4.5 Drylaw/Telford Community Association have asked that the rent remains at a nominal level and state that any increase will have a negative impact on the services they can provide and may ultimately force the centre to close.
- 4.6 As Committee has been previously advised, when considering the rent to be recommended, the particular circumstances of each case warrants consideration. While the Asset Management Strategy (AMS), approved in 2015, promoted the conversion of concessionary lets to full market rental level, the level of analysis on individual cases, at that time, was limited to a black or white assessment, i.e., the AMS took no cognisance of the social, local or political aspects that typically reflect the reality when making decisions of this nature. In this case, the asset is a community facility built and operated from for over 20 years and has no property strain cost to the Council.

- 4.7 Previous reports considered by Committee since May 2017 have been considered and, it is noted that identical circumstances existed with the Venchie at Niddrie Mains Terrace granted a new 25- lease at £1 per annum, on 5 September 2017. It is for the reasons set out above, that option 1 is recommended.
- 4.8 Draft Heads of Terms (provisionally agreed with Drylaw/Telford Community Association) are as follows:
- Tenant: Drylaw/Telford Community Association;
 - Transaction Type: New lease;
 - Lease Duration: 25 years;
 - Rent: Option 1 as detailed in paragraph 4.4;

 - Use: The property will only be used as a community centre for enhancing education, leisure and health and wellbeing, and improving conditions for the surrounding community;
 - Repair/Maintenance: Tenants full repairing and insuring obligation; and
 - Fees: Tenant is responsible for the Landlords reasonably incurred surveying and legal costs in preparation of the lease.

5. Next Steps

- 5.1 If Committee approval is granted, the Council will enter into a new lease with the Drylaw/Telford Community Association in accordance with the terms and conditions stated within this report.

6. Financial impact

- 6.1 The Drylaw/Telford Community Association will continue to be responsible for all maintenance costs, rates and other outgoings associated with the leased subject(s).

7. Stakeholder/Community Impact

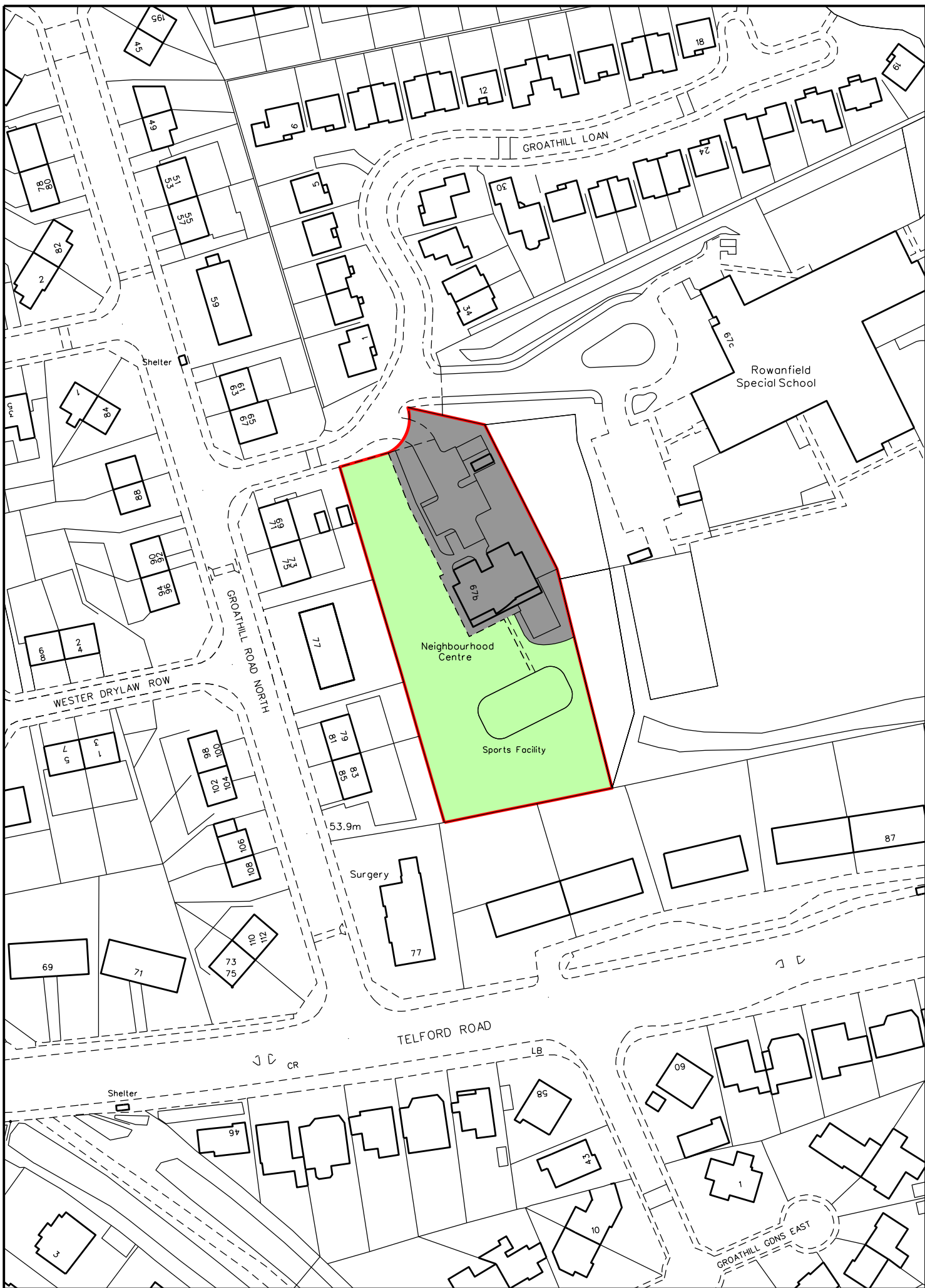
- 7.1 Community centres are a positive contribution to the local community by providing learning and development opportunities, physical activities and social support to the members it serves.
- 7.2 Local Councillors have been informed about this proposed transaction and report.
- 7.3 The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that a full IIA is not required for this report. The proposal of this report is to grant a new lease to a tenant who has been in occupation of the subject(s) for a number of years and presents no/minimal impact on equality, economy and the environment.

8. Background reading/external references

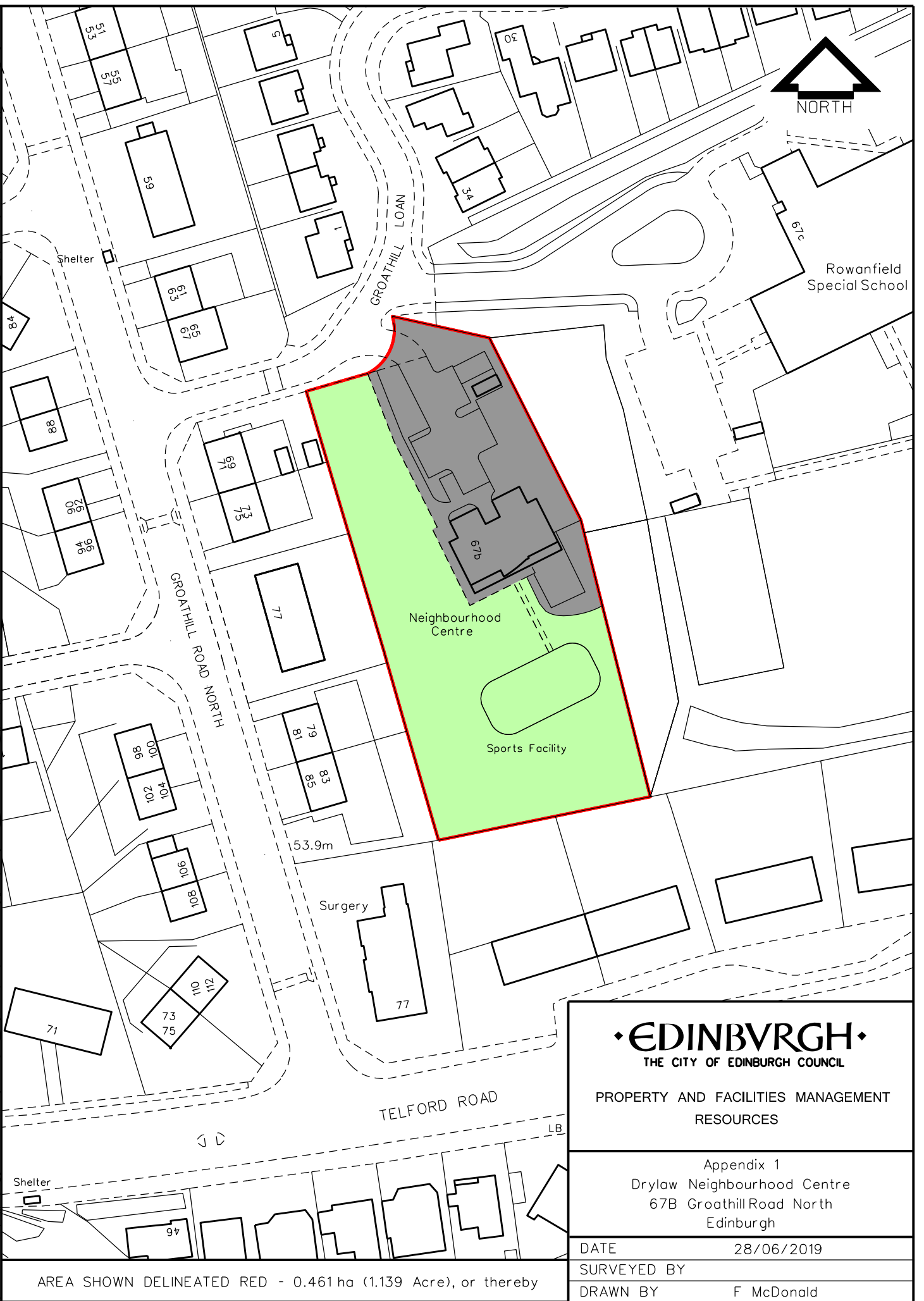
- 8.1 [Item 7.2 Transformation Programme: Property and Asset Management Strategy](#) – Finance and Resources Committee 24 September 2015.

9. Appendices

- 9.1 Appendix 1 – Location Plan



LOCATION PLAN SCALE 1:1250



SITE PLAN SCALE 1:1000

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
Appendix 1 Drylaw Neighbourhood Centre 67B Groathill Road North Edinburgh	
DATE	28/06/2019
SURVEYED BY	
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT2275/A3/2143

AREA SHOWN DELINEATED RED - 0.461 ha (1.139 Acre), or thereby

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

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

Item number	
Executive/Routine	Executive
Wards 1 and 17	
Council Commitments	

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves 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.

Stephen S. Moir

Executive Director of Resources

Contact: Patrick Brown, Capital Programme Team Senior Manager,
Property and Facilities Management Division, Resources Directorate

E-mail: patrick.brown@edinburgh.gov.uk Tel: 0131 529 5902

Finance and Resources Committee

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

2. Executive Summary

- 2.1 This report seeks approval 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. This contract is 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 is £3,081,426. This aligns with fee levels associated with other available design frameworks and is within existing budgets. This approach will facilitate the delivery of the proposed new Primary Schools to Certified Passivhaus Standard by a suitably experienced, expert design team.

3. Background

- 3.1 In response to the Global Climate Emergency, the Scottish Government is in the process of amending the Climate Change Bill to set a 2045 target for net zero emissions for Scotland. In recognising the need to reduce emissions of greenhouse gases, the Council has set an ambitious target that Edinburgh will be carbon neutral by 2030. These targets are significant and will require a step change in the Council's approach to new building design and delivery across the whole operational estate, including learning and teaching.
- 3.2 The Council is committed to delivering new build schools which address the carbon agenda while focussing on ensuring internal comfort conditions are met, supporting excellent teaching environments.
- 3.3 Following extensive investigations and lessons learned from recent new build school designs, Property and Facilities Management has identified Certified Passivhaus as the appropriate standard to adopt in response to the challenges faced, which has previously been endorsed by the Finance and Resources Committee. Passivhaus is a proven standard which addresses the recognised performance gap between projected new building energy consumption and actual, operational, energy consumption, an issue identified at a national level. In addition, as Passivhaus is primarily a comfort standard, the rigour of this approach will

ensure optimal outcomes. Appendix 1 to this report provides an overview of Passivhaus.

- 3.4 The first non-domestic buildings, schools, in Scotland delivered to the Certified Passivhaus Standard will be a key part to addressing a low carbon future. The next step will be to consider the possibility of moving towards Certified Passivhaus Plus standard which further offsets carbon emissions through renewables.
- 3.5 The challenge faced by the Council in adopting this standard is that despite its adoption in England and Wales for numerous developments, including primary and secondary schools, there has been little or no non-domestic Passivhaus delivery in Scotland. For this reason, there is a lack of experience in this challenging standard across the Scottish design and construction sectors of industry. Consequently, the Council will be playing a critical role in stimulating the market. This is already evident with designers and contractors seeking partners with Passivhaus credentials and more openly recognising the benefits of this standard.
- 3.6 Currently the Council does not have access to experienced Passivhaus designers on its professional services frameworks. This is being addressed as a key element of the Professional Services Framework re-procurement which is currently underway and aims to have new frameworks in place by the Spring of 2020. In the current absence of this facility, this report outlines the route to securing the required expertise utilising an external, national framework to ensure successful delivery for three new double stream Primary Schools with Early Years facilities.

4. Main report

- 4.1 The Council is planning three new double stream Primary Schools with Early Years facilities. These are located within major new housing developments at Builyleon Road in South Queensferry; the new Brunstane site within Newcraighall Primary School's catchment area; and the Maybury site in West Edinburgh. The current target completion date for all three schools is August 2022, albeit this will likely be subject to delay.
- 4.2 This report seeks Committee approval to utilise the Crown Commercial Services (CCS) framework, Lot 1 Multidisciplinary Design Services, for the procurement of the Design Team for the delivery of three new Primary Schools under the Local Development Plan (LDP) programme. This appointment is permissible within the Framework under the Direct Appointment call off procedure.
- 4.3 The aim is to deliver the next tranche of three Primary Schools to certified Passivhaus standard. To de-risk this approach it is essential that an experienced Passivhaus design team is assembled. Various national frameworks have been examined in conjunction with Commercial and Procurement Services. The most appropriate identified is the CCS Framework, Lot 1 Multidisciplinary Design Services. CCS is an Executive Agency of the Cabinet office aimed at supporting the public sector to achieve commercial value when procuring professional services. The CCS framework has the facility to directly appoint the framework lead and key supply chain members, with this approach widely used. The CCS framework was

procured in accordance with the Public Contract Regulations, priced in open competition. There is no premium associated with a Direct Award under the framework, all fees are capped and cannot be exceeded by the framework consultants.

- 4.4 Utilising this route, the appointed design team would be led by Faithful and Gould Ltd (F&G) and critically includes a specialist architectural practice, Architype. Architype has delivered the largest portfolio of Certified non-domestic Passivhaus projects in the UK (over 40 buildings). This includes 13 Certified Passivhaus Primary Schools in England and Wales. Architype and F&G have a longstanding relationship and are currently delivering the latest generation of Passivhaus Primary School Designs in Oxfordshire.
- 4.5 Utilising the CCS Framework also allows the Council to meet the already challenging timescale for the design and delivery of these primary schools as the procurement process takes around 8 weeks to appoint the full design team. The design team appointed will meet the capability, experience and quality requirements of the Council and the architects will bring extensive knowledge transfer through their experience in Passivhaus design.
- 4.6 The rates provided by the CCS Framework have been benchmarked against other national frameworks and the Council's own internal Construction Professional Services Framework and are deemed to offer the Council best value.
- 4.7 The initial commission will be to develop the design to RIBA stage 4 (procurement) for the three schools. This includes the principal design disciplines (Architect, Project Manager, Cost Consultant, Civil/Structural and Services Engineering). The fee for this utilising the CCS framework Lot 1 to RIBA stage 4 is £3,081,426.
- 4.8 Following the Council championing the Passivhaus approach, other Local Authorities have expressed increasing interest. Similarly, Scottish Futures Trust have engaged in investigating this standard and recognise the benefits as a direct consequence of their increased understanding.

5. Next Steps

- 5.1 Subject to Committee approval, successful delivery of three Certified Passivhaus primary schools will be a pathfinder for the Scottish learning estate sector. This will contribute to a low and zero carbon future and be a catalyst for change for the future delivery of construction projects.
- 5.2 The contract will be managed by the service area to ensure delivery meets the performance requirements, key performance indicators and community benefits requirements.
- 5.3 In line with The Public Contracts (Scotland) Regulations 2015, the Council will issue an award notice on Public Contracts Scotland with onward notice to OJEU.
- 5.4 The delivery of new buildings to Certified Passivhaus 'Classic' Standard ensures the building fabric solutions are low energy and, critically, address user

environmental comfort requirements. This will be a first step towards adopting further enhanced solutions with the benefit of additional renewable energy provisions to Passivhaus 'Plus' (producing energy to balance consumption) if deemed appropriate, Passivhaus 'Premium' Standard (producing more energy than consumed, while recognising that this goes beyond economic benefits under current market conditions).

6. Financial impact

- 6.1 Design team fees will be capital funded from the approved current project budget of £4.025m as set out in the 2019/20 approved Council Budget.
- 6.2 Funding for the construction of the schools has been identified as referred to in item 7.4, Capital Budget Strategy 2020-2030, on this agenda, subject to achieving a balanced revenue budget over the period of the framework. Running costs of the schools will be identified as part of individual business cases.
- 6.3 Regardless of the procurement route taken, commissioning these designs to RIBA Stage 4 commits the Council to a capital expenditure of around £3m (with a break option at RIBA Stage 2 relating to a fee of around £900K). If the proposed £3.081m for the CCS framework procurement route were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a 20-year period would be a principal amount of £3.081m and interest of £1.800m, resulting in a total cost of £4.882m based on a loans fund interest rate of 4.6%. The annual loan charges would be £0.240m.
- 6.4 A report on the associated cost implications of changes in the size and profile of the Council's operational property estate was considered by the Finance and Resources Committee on 23 May 2019. The report noted the need to provide for the additional revenue costs of a number of demand- and condition-led school replacements and new-builds.
- 6.5 Primary Schools designed to Certified Passivhaus Standard will realise a projected revenue saving in the order of £20k/year/school or 40% in comparison with recently delivered Primary Schools to current standards. This saving is based on the projected cost of energy in 2022. It is anticipated that energy costs will continue rise, increasing the net benefit of Passivhaus over the lifetime of the building. In addition, a Passivhaus school will have lower associated carbon emissions and therefore reduced exposure to any future carbon taxation/penalties that may be implemented.

7. Stakeholder/Community Impact

- 7.1 F&G were assessed on their community benefits and social responsibility plan as part of the award criteria for the CCS Framework. Upon appointment, F&G will work with the Council to develop a Community Engagement Plan for the three Primary Schools, that will be specifically tailored for each locality's needs.
- 7.2 F&G will work in partnership with the Council, key stakeholders, head teachers and parents to create a programme of activities that work towards achieving interaction with the Community and the Schools – these activities would include such areas as Work Placements, Employment Training, Community Engagement and Charity/Fundraising Initiatives.
- 7.3 The proposed approach will minimise carbon emissions associated with the new build schools. As these will potentially be the first new primary schools to Certified Passivhaus Standard in Scotland these schools will be pathfinders potentially attracting significant interest from Scottish Government and industry professional bodies.
- 7.4 As well as the focus on low carbon and environmental comfort, the consultation and engagement programme will be aligned to the guiding principles of the Scottish Government's Learning Estate Strategy. The overarching primary focus will therefore be to ensure provision of quality learning environments including exciting outdoor learning spaces. Public sector partners and the wider community will be consulted during the design process in order that any investment grasps opportunities to integrate service provision, enhance digital connectivity and encourage maximum community use of the facilities provided both during and out with core school operational periods.

8. Background reading/external references

Energy in Schools Annual Report – Education, Children and Families Committee, 11 December 2018

Energy Management Policy for Operational Buildings - Corporate Policy and Strategy Committee, 6 August 2019

Capital Strategy 2020-30, Finance and Resources Committee, 10 October 2019

9. Appendices

Appendix 1: Certified Passivhaus Overview

Appendix 1: Certified Passivhaus Overview

Passivhaus is a rigorous comfort and energy standard. It aims to provide healthy and comfortable internal conditions for occupants. This is achieved in addition to a focus on low energy consumption.

The evidence indicates that Passivhaus is the only design and construction standard to consistently deliver its comfort and energy targets. There is no evidence of a performance gap between design expectations and actual outcomes. This has been demonstrated by extensive monitoring of buildings in use over more than 25 years.

Passivhaus achieves this because it is based on the rules of building physics and utilises robust modelling and optimisation tools from the onset to inform building form, orientation, fabric and glazing design. This ensures an optimum fabric solution with care in considering high insulation levels, care with glazing specifications and associated mechanical ventilation and heat recovery systems. The focus is on a built reality that matches the theoretical design.

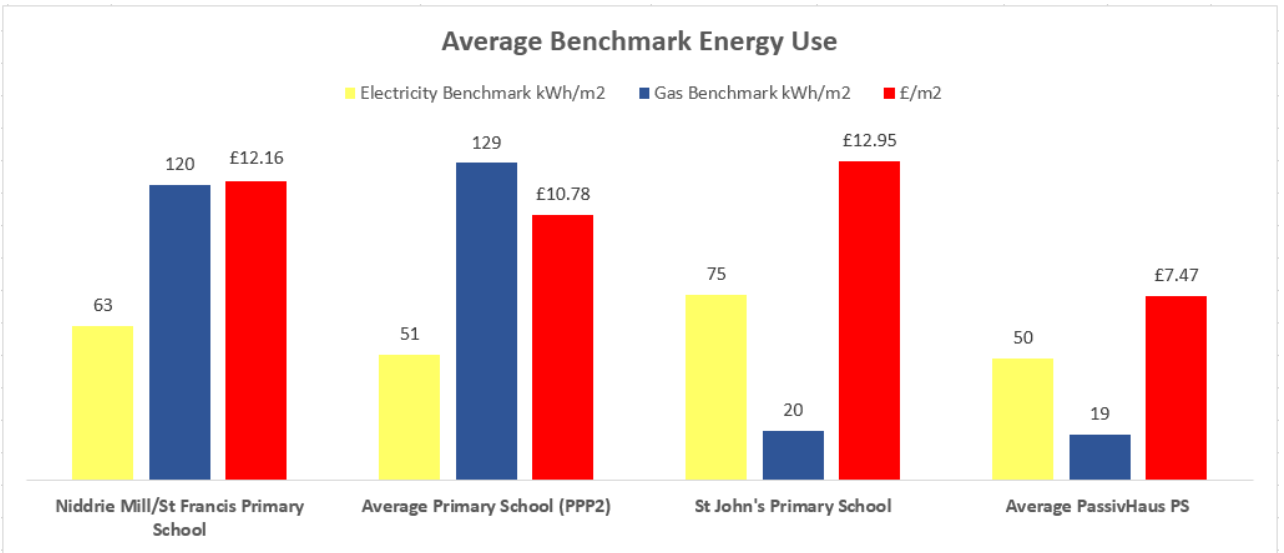
Another key aspect of Passivhaus is its use of a rigorous system of quality assurance through which third party certifiers check that the design and construction meet the required standard for certification. This is achieved through provision and checking of extensive evidence of the design, construction and commissioning process. This places a focus on construction quality, something the council has placed significant focus on in response to the Cole Report.

A Passivhaus certified school would achieve the following

- Reduced internal CO2 levels, improving well-being and concentration
- High standards of indoor air quality and thermal comfort
- Improved resilience to summertime overheating
- Greater avoidance of building defects
- Minimised energy consumption with reduced energy bills and carbon emissions (ref Table 1 for current energy compared to PH)
- Reduced lifecycle and maintenance costs due to simpler mechanical services and controls installations

Improvements in the thermal comfort and air quality go beyond energy consumption benefits. There is evidence to support the case that these improvements realise enhanced building user satisfaction (pupil behaviour), attendance, reduced sickness and attainment.

Table 1 below provides comparison. St Johns is the most recently completed Primary School. Energy data for this building is limited and may be unrepresentative due to mild weather conditions over the last 12 months.



Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Depots Strategy: Collections for the Future

Executive/routine	Executive
Wards	7. Sighthill/ Gorgie
Council Commitments	2 , 7 , 10 , 18 , 47

1. Recommendations

- 1.1 It is recommended that Committee agrees:
- 1.1.1 the Business Case, for the creation of a new Collections Hub at Russell Road, as set out in the appendix to this report;
 - 1.1.2 transfer of the Council's records storage to a third-party provider;
 - 1.1.3 management of that contract and professional support is provided by the Council's Records and Archives Service; and
 - 1.1.4 to ringfence the Broughton Market capital receipt within the Depots and Storage Strategy.

Paul Lawrence

Executive Director of Place

Contact: Gareth Barwell, Head of Place Management

E-mail: Gareth.Barwell@edinburgh.gov.uk | Tel: 0131 529 5844

Depots Strategy: Collections for the Future

2. Executive summary

- 2.1 The report sets out the proposal 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.

3. Background

- 3.1 On [2 February 2016](#), the Finance and Resources Committee approved a report setting out the investment strategy for the Council's depots estate. Revised at Finance and Resources Committee on 4 December 2018, the [Depots Gateway Review](#) is going much further than previously proposed, consolidating from 16 to six depot sites. This includes addressing the Council's ambition to expand and increase its housing supply by disposing of Murrayburn Depot, and other sites, for mixed tenure housing.
- 3.2 The Depots Strategy is predicated on identifying potential synergies across Council and how these might best be facilitated through re-design and co-location. In line with this approach, there are economies of scale associated with the proposed new Collections Hub. Tangible service benefits can be drawn from a shared storage and access location, including measurable gains in improving public access arrangements.
- 3.3 The approach taken to a single, accessible Collections Hub is also a key enabler in delivery of the Culture Services Review. Museums and Galleries are currently developing a collection led redesign of the service by investigating the potential to create a new Museums and Galleries service for the city that is sustainable and appropriate to Edinburgh.
- 3.4 For the City Archives, co-locating archival storage and access on a single site will significantly improve the quality of its public service and facilitate accreditation against national archive standards for the first time.
- 3.5 As part of the Business Case, consideration has been given to the future of the Council's physical record storage needs. This approach provides a good

opportunity to reassess those needs, promoting ongoing paperless strategies and digital working solutions.

4. Main report

- 4.1 The report sets out the preferred model for delivery of a Collections Hub as described in the Business Case at appendix 1; demonstrating its appraisal over a period of 25 years; and that the consolidation of the Council's storage contributes to a wider masterplan, delivering social, economic, financial and place benefits.

Scope

- 4.2 The Council's Museum and Galleries and the Records and Archives services comprise of four core elements, as described in the Business Case: Council Records Centre; City Archives Collections; City Archives Public Access; and Museums and Galleries Collections.
- 4.3 These core elements are housed within the following buildings:
- **Murrayburn Depot:** Records Centre, City Archives, storage associated with the Museum and Galleries venues;
 - **City Chambers:** City Archives public facing facility, including management of different storage areas within the building;
 - **Innerleithen:** Iron Mountain overspill facility in the Scottish Borders (Records Centre);
 - **Store-rite:** an EDI contracted storage unit in Denny;
 - **Albion Road:** an overspill storage unit, currently leased in for the Culture estate;
 - **Museum Collections Centre:** storage associated with the Culture estate at Broughton Market; and
 - **Storage spaces associated with six Museums and Galleries venues:** Peoples Story, Museum of Edinburgh, City Art Centre, Lauriston Castle, Writers Museum, and the Museum of Childhood.
- 4.4 Detailed analysis of the buildings in scope, their services and building condition are set out in background data and can be supplied as supporting evidence. In brief, Murrayburn Depot and the Museum Collections Centre both require investment, with the condition of Murrayburn Depot much worse than previously thought (as evidenced by the recent flooding at that facility).

Records Management

- 4.5 The Council has a statutory duty to manage its records in accordance with the Public Records (Scotland) Act 2011. This includes making appropriate arrangements for the storage and management of its physical records.
- 4.6 This requirement is met through the Council's Records Centre and existing contractual arrangements with Iron Mountain PLC. The third-party provider operates the Records Centre on the Council's behalf and also provides additional storage for Council records at Innerleithen under a separate Crown Commercial Service framework agreement. With the Murrayburn depot's planned closure, 37,000 boxes will need to be relocated.

- 4.7 As part of the Business Case, an options appraisal for physical records storage was considered and fully costed. This is set out in appendices 2 and 3 of the Business Case. As detailed, transferring the Council's physical records to a third-party provider is the most cost-effective option.
- 4.8 To ensure that any new storage arrangements are properly controlled, monitored and assured, it is proposed that the Council's Records and Archives Team manage any new contract. This will ensure that the Council retains full intellectual control over its physical records and that it can continue to meet its statutory obligations and public records legislation.

Building Solution

- 4.9 Given the synergies across the Collections storage, it is in the Council's best interest to achieve a strategic building solution for the remaining storage requirements of Museum and Galleries venues, the Reserve Collections facilities and the City Archives (i.e. excluding the Records Centre).
- 4.10 A cost and options appraisal has been developed to support the Business Case, including the non-monetary benefits. Figures and findings have been incorporated into the appendices of this Business Case. The full report can be provided on request.
- 4.11 Developing a new purpose-built storage and access facility (Collections Hub) at the site of the current Russell Road Depot, is the preferred option as described within the Business Case.
- 4.12 Russell Road Depot is earmarked for closure under the Depots Strategy, approved in the last Gateway Review. With its good communication routes and city centre access via the tram, the site offers an opportunity for Council investment in a mixed-use development for start-up businesses, industrial uses and a Collections Hub in the heart of planned Gorgie / Dalry regeneration.
- 4.13 One option actively being pursued is the relocation of the Car Compound from the former Tower Street Depot, given the release of that site for housing under the refreshed Depots Strategy. The Car Compound would be operated by NSL under licence and would be a contributing element within the remodelling of the site.

5. Next steps

- 5.1 The timeline attached at appendix 6 of the Business Case, outlines the next steps, including a bid to the National Lottery Heritage Fund (NLHF) in November 2019.
- 5.2 A successful NLHF application will enhance the scope of the Collections Hub.
- 5.3 There is intent to develop new light industrial units on this site to complement the Collections Hub and address unmet demand for business space. A funding application is to be submitted to the Regeneration Capital Grant Fund (RCGF) in February 2020 to develop this.

6. Financial impact

- 6.1 The Depots Strategy continues to be self-funding. The total cost of the strategy is being met from within the capital receipts achieved and running cost savings achieved, will continue to be contained within the previously approved prudential borrowing of £20.85m. The Depots Strategy spreadsheet is attached as appendix 7 of the Business Case.
- 6.2 The Depots Strategy continues to deliver enhanced service delivery and an improved estate at no net revenue cost. At present the balance sheet shows a positive balance providing headroom as the additional savings are currently £216k per annum.
- 6.3 There are risks associated with the capital costs as the receipts could be lower than anticipated and the capital costs higher than forecast. There is sufficient headroom within the prudential borrowing limit to accommodate this.
- 6.4 External funding from the National Lottery Heritage Fund has not been included in the financial model as the outcome of the bid is not yet known.
- 6.5 If the solution set out in this report is delivered, the current store at Broughton Market will become surplus. As the release of Broughton Market is required to enable the Business Case to be self-contained, the capital receipt for Broughton Market needs to be ringfenced for delivery of the new Collections Hub. This report is requesting authority from Committee that the capital receipt is ringfenced within the Depots Strategy.

7. Stakeholder/community impact

- 7.1 The consolidation of the Council's storage collections contributes to a wider masterplan which includes improving and transforming frontline service delivery (including public benefit).
- 7.2 Over the last few years, the Museums and Galleries service have enhanced their engagement with local people through outreach and public event programmes, as well as through digital engagement platforms, such as Capital Collections and via social media. Both the Museum and Galleries service and the City Archives are keen to further develop their local audiences.
- 7.3 The funding application to NLHF, while strengthening collection management arrangements, would also contribute to an outreach and public activity programme. Edinburgh residents will be engaged with heritage at a personal and community level in the run up to the opening of the new facility. This insight will feed into the design of the planned facility ensuring it meets the needs of the city.
- 7.4 Construction of a new building to house the Collections Hub provides an opportunity to incorporate highly efficient systems with low energy consumption. The facility will deliver Passivhaus benefits by applying sustainable cladding to control the internal

climate rather than mechanical control. High efficiency LED lights could also be incorporated supporting the Council's energy efficiency targets.

8. Background reading/external references

- 8.1 For background on the Museums and Galleries strategy, refer to the Recognition Status Review 2013-2018 Museums and Galleries; and the Edinburgh and the Museums and Galleries Edinburgh Service Plan 2019-2023. These documents can be provided on request.
- 8.2 [Depots Gateway Review](#) and [Review of Council Depots Estate – Investment Strategy](#).

9. Appendices

- 9.1 The Business Case: Depots Strategy - Collections for the Future, is attached as a separate document.

DEPOTS STRATEGY

Business Case: Collections for the Future

(Storage associated with the Museums and Galleries venues, Reserve Collections and City Archives)

Project Details	Description
Project Name	Collections for the Future
Functional Area	Place and Property & Facilities Management
SRO	Gareth Barwell
Programme Manager	Susan Tannock
Project Manager	Caryn Elder
Finance Lead	Alan Keatinge

Revision History

Version Number	Description	Date	Approval
5.0	Appendix 1	11/09/2019	CLT

Contents

Stage 1: Strategic Case	2
Stage 2: Commercial Case - Records Management	5
Stage 3: Economic Case – the building solution	6
Stage 4: Financial Analysis.....	9
Stage 5: Risks, Assumptions and Dependencies.....	10
Stage 6: Consultation, Communication and Change.....	11

Appendices

Appendix 1: Options Appraisal	14
Appendix 2: Cost Analysis	20
Appendix 3: Running Costs Table	21
Appendix 4: Russell Road Layout Mock Up	24
Appendix 5: Depots Strategy Timeline	25
Appendix 6: Approvals Timeline	26
Appendix 7: Depots Strategy Spreadsheet	27

Context

- 1.1 This Business Case sets out the proposal 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.
- 1.2 The Council's Depot Strategy forms part of the Asset Management Strategy, which also sits within the wider Council Change Portfolio, demonstrating the practical benefits of a truly transformational, joined-up and cross Directorate innovation contained within the current financial climate.

Background

- 1.3 [On 2 February 2016, the Finance and Resources Committee](#) approved a report setting out the investment strategy for the Council's depots estate which aimed to achieve more effective and efficient use of the depot assets and associated service provision. While the overarching objectives of the Council Depots Strategy remain relevant (long term savings, fit for purpose facilities, value for money), there is a renewed emphasis on efficient and effective deployment of resources and delivery of strategic Council priorities.
- 1.4 Within this revised approach, approved at Finance and Resources Committee on 4 December 2018, the [Depots Gateway Review](#) is going much further than previously proposed, consolidating from 16 to six depot sites. This includes addressing Council's desire to expand and increase its housing supply by disposing of Murrayburn Depot for mixed tenure housing. As part of this process, it is proposed to seek authority to transfer Murrayburn Depot to the Housing Revenue Account (HRA) by the end of this financial year for inclusion in the Council's house building programme.
- 1.5 The Depots Strategy is predicated on identifying potential synergies across Council services and with partners (some of whom are based in depots, others which are not); and, how these might best be facilitated through re-design and co-location. This includes exploring property-based efficiencies (through a reduction in the number of buildings and associated running costs, repairs and maintenance); together with greater levels of operational effectiveness in the delivery of high-quality services.
- 1.6 In line with this approach, there are economies of scale associated with the proposed new Collections Hub. This will bring together collection storage and access requirements currently accommodated within the Museums and Galleries venues, the Reserve Collections and the City Archives. Tangible service benefits can be drawn from a shared storage and access location, including measurable gains in improving public access arrangements, community engagement, collection care standards and conservation facilities.
- 1.7 The approach taken to a single, accessible Collections Hub is also a key enabler in delivery of the Culture Services Review. Museums and Galleries are currently developing a collection led redesign of the service by investigating the potential to create a new Museums and Galleries service for the city that is sustainable and appropriate to Edinburgh. Six of the current museum venues are used for collection storage spaces (Peoples Story, Museum of Edinburgh, City Art Centre, Lauriston

Castle, Writers Museum and the Museum of Childhood). Alternative arrangements cannot be considered without first relocating stored collections held within these cultural buildings and venues.

- 1.8 For the City Archives, co-locating archival storage and access on a single site will significantly improve the quality of its public service and facilitate accreditation against national archive standards for the first time.
- 1.9 As part of this Business Case, consideration has been given to the future of the Council's physical record storage needs. This approach provides a good opportunity to reassess those needs, promoting ongoing paperless strategies and digital working solutions.

Approach

- 1.10 The purpose of this Business Case is to set out the preferred model for delivery of a Collections Hub; demonstrating its appraisal over a period of 25 years; and that the consolidation of the Council's storage contributes to a wider masterplan, delivering social, economic, financial and place benefits by:
 - improving and transforming frontline service delivery (including public benefit);
 - releasing sites suitable for residential development and business units;
 - enabling economies of scale and service efficiencies;
 - reducing the size of the estate;
 - providing fit for purpose facilities for the future;
 - delivering both new income streams and revenue savings; and
 - provision of new business units supporting small business growth in the City.
- 1.11 Integral to this approach is an application for funding to the National Lottery Heritage Fund. The application will help fund an outreach and public activity programme of events, workshops, exhibitions, collections-based knowledge capture and voluntary work. Edinburgh residents will be engaged with heritage at a personal and community level in the run up to the opening of the new facility.
- 1.12 The programme will also help gather insight into how residents wish to access their heritage in the future and what they expect to be collected now to reflect the city's diverse communities. This insight will feed into the design of the planned facility to ensure it meets the needs of the city.
- 1.13 Finally, the funding will also provide enhanced collection management arrangements that meet national standards, ensuring the long-term care of the collections.
- 1.14 By taking a more holistic overview of Council collections management, incorporating the city's documentary and material heritage, there is a real opportunity to build an innovative facility, which improves and strengthens the care and access of the city's historic museums and archives collections.

Scope

- 1.15 The Council's Museum and Galleries and the Records and Archives services are responsible for the care, management and access to the city's municipal archives and museum collections, as well as providing storage for current Council records from across all service areas.
- 1.16 This is comprised of four core elements:
 - **Council Records Centre:** 65,000 file boxes of Council records, stretching over 21km of shelving, which are retained for statutory or business reasons.

While many records are eventually destroyed, a small percentage of these have historical value and are routinely transferred to the City Archives for permanent preservation.

- **City Archives Collections:** currently stored on 7km of shelving in an environmentally controlled and monitored storage unit, and includes historical records of the Council and its predecessor bodies which date from the 12th Century to the present day;
- **City Archives Public Access:** 450 sqm of space which includes a public search room for accessing documents, staff facilities and additional storage; and
- **Museums and Galleries Collections,** ranging from paintings and manuscripts to printing presses and cannons occupying 7km of shelving. The collections include social history, literary, childhood, archaeology, fine and applied art, many of which are recognised by the Scottish Government as being of national significance. The Museums and Galleries collection is valued at £50m for insurance purposes.

1.17 These core elements are housed within the following Council buildings:

- **Murrayburn Depot:** Records Centre, City Archives, storage associated with the Museum and Galleries venues;
- **City Chambers:** City Archives public facing facility, including management of different storage areas within the building;
- **Innerleithen:** Iron Mountain overspill facility in the Scottish Borders (Records Centre);
- **Store-rite:** an EDI contracted storage unit in Denny;
- **Albion Road:** an overspill storage unit, currently leased in for the Culture estate;
- **Museum Collections Centre:** storage associated with the Culture estate at Broughton Market;
- **Storage spaces associated with six Museums and Galleries venues:** Peoples Story, Museum of Edinburgh, City Art Centre, Lauriston Castle, Writers Museum, and the Museum of Childhood.

1.18 Detailed analysis of the buildings in scope, their services and building condition are set out in background data and can be supplied as supporting evidence.

Condition

1.19 Many of the archive and museum collections are of considerable historical value and of both local and international significance. However, these collections are currently dispersed across 11 different locations; some of which have poor preservation conditions that do not comply with professional archive and museum standards.

1.20 Murrayburn Depot and the Museum Collections Centre at Broughton Market both require investment. The condition of Murrayburn Depot is much worse than previously thought, with £1,459,148 of repairs identified in a 2017 condition survey.

1.21 More broadly, the Council's storage provision across the six identified Museums and Galleries venues does not currently meet with current national standards for their retention and upkeep, including Building Focused Standard – BS EN 16893:2018, and Storage Systems Focused Standard – BS 4971:2017.

1.22 The current arrangements have created inefficiencies and risks, such as:

- High property running costs associated with the whole site of Murrayburn Depot (£375,679), Broughton Market (£18,523) and Albion Road (£13,920) – a total of £408,122 per annum based on 2018/19 costs;
 - Overall safety and maintenance issues associated with Murrayburn Depot as the Depots Strategy implements a phased closure programme, including risk of building failure;
 - Use of the Innerleithen facility as an ‘overflow’ for Council records (£243,000 per annum); and
 - Space optimisation restrictions at the City Chambers – for example, if the 450sqm currently occupied by City Archives were backfilled by other Council services, this then could potentially release more accessible space for third party lease.
- 1.23 In summary, maintaining these buildings in their current state creates a budget pressure with inefficiencies and the risk of further ongoing and unforeseen maintenance costs. While the repairs and maintenance budget associated with these properties has not been factored into the Business Case, the Council will significantly benefit from closing these buildings. Doing nothing is not an option.
- 1.24 Moreover, maintaining records, archives and artefacts in these conditions will lead to the deterioration and loss of unique assets which the Council has a statutory responsibility to preserve, the risks of which are evidenced by the recent flooding at the Murrayburn facility.

Stage 2: Commercial Case - Records Management

- 2.1 The Council has a statutory duty to manage its public records in accordance with records management best practice.
- 2.2 A major component of this compliance is the Council’s Records Centre and the current arrangements with Iron Mountain PLC. These provide secure, managed and audited storage for the Council’s physical records received from all service areas.
- 2.3 The main facility for the Council Records Centre is located at Murrayburn Depot and is directly impacted by the Depots Strategy and proposed site closure. The Council Records Centre is located at the Murrayburn Depot and currently stores and manages 37,000 boxes - 57% of the Council’s current storage requirements for physical records. With the planned closure of Murrayburn Depot, these boxes will need to be relocated. The other 43% of boxes, currently stored in Iron Mountain facilities, will be impacted by the change in contractual arrangements.
- 2.4 As part of this business case, an options appraisal for physical records storage was considered and fully costed:
- **Option A:** maintenance of the current delivery arrangements with Iron Mountain;
 - **Option B:** the introduction of an in-house service; and
 - **Option C:** transfer to a third-party provider.
- 2.5 Set-up and annual running costs have been considered as part of this process and are set out in detail in appendix 2 and 3 of this Business Case.

- 2.6 In short, the most cost-effective option is Option C: transferring Council records to a third-party provider. This is in the context of the wider revenue and capital impact of having to construct a larger building to accommodate either of Options A and B.
- 2.7 Both Options A and B would require the Council financing the build costs to store 40,000 boxes, a significant capital outlay.
- 2.8 Moreover these options would have fixed property and staffing costs, even with declining usage in terms of storage and associated services (e.g. uplifts, retrievals, destructions etc.).

Option C: transfer to a third-party provider

- 2.9 The estimated cost of Option C is approximately £200,000 per annum. This is based on the reduced box total of 40,000 boxes, current Crown Commercial Services (CCS) framework agreement rates, and the average Records Centre usage over the last five years.
- 2.10 The CCS framework agreement is renewed every four years and rates and associated costs are expected to change. While these are likely to remain competitive and represent best value in terms of commercial storage and management, a mini-procurement exercise could also be considered to provide longer term stability around rates and costs associated with Option C.
- 2.11 While Option C would tie the Council into a commercial arrangement, the reliance on a third-party provider (and associated costs) is likely to reduce through time as the Council requires less physical records storage. However, any potential reduction is reliant on Council strategies and IT programmes which facilitate and promote:
- paperless working / channel shift;
 - electronic records management; and
 - long term digital preservation and access of Council records.
- 2.12 To ensure that the new external arrangements and costs are controlled, the Council's Records and Archives team would manage any new contract. This service would provide a monitoring and assurance role to:
- ensure approved record retention rules are properly applied;
 - oversee destruction of Council records stored under the new arrangement;
 - ensure that the provider keeps to agreed service levels in terms of record retrievals and returns; and
 - address any identified security or data quality issues.

Stage 3: Economic Case – the building solution

- 3.1 Given the synergies across the Collections storage, it is in the Council's best interest to achieve a strategic building solution for the remaining storage requirements of Museum and Galleries venues, the Reserve Collections facilities and the City Archives (i.e. excluding the Records Centre).
- 3.2 Co-location brings the added benefit of economies of scale and potential service delivery enhancement through public access, shared use of facilities and cross professional working from a single building solution, through for example, engagement and outreach.

Design Option Appraisal

- 3.3 The construction consultancy, Currie & Brown, were commissioned to provide a cost and options appraisal to support the Business Case, including the non-monetary benefits. Figures and findings have been incorporated into the appendices of this Business Case. The full report can be provided on request.
- 3.4 For the Currie and Brown Options Appraisal, a benchmark of 0.14 U (energy) value has been used for consistency and to address sustainable, environmental and building requirements.
- 3.5 The Options Appraisal evaluated five building options over an appraisal period of 25 years, and these are summarised below:
 - 3.5.1 **Option 1: Retain and upgrade existing buildings** which assumes no change to the location of the storage facilities, but instead invests in the retained buildings. The original Depots Strategy, 2014, proposed retaining the Council's historic City Archives and Records Centre buildings at the Murrayburn site, with the remainder of the depot being demolished and cleared for development or sale. Subsequent investigations have deemed that that this is not feasible. Given the City Archives and Records Centre occupy approximately 25% of the footprint, Currie & Brown were asked to test the feasibility of this assumption in Option 1: Retain and upgrade existing buildings.
 - 3.5.2 **Option 2: Develop new purpose-built** storage and access facilities at Russell Road Depot for the City Archives, Records Centre, Museums and Galleries requirements;
 - 3.5.3 **Option 3: Repurpose an existing Council building** at Russell Road Depot as a storage and access facility for the City Archives, Records Centre, Museum and Galleries collections;
 - 3.5.4 **Option 4: Develop new purpose-built** storage and access facilities at Russell Road Depot for the City Archives and Museums and Galleries requirements, with the Council's organisational records being managed by an external provider; and
 - 3.5.5 **Option 5: Partner with other organisations** (primarily National Museums Scotland at Granton Waterfront) for City Archives and Museum and Galleries storage collections, with a separate commercial solution for the Records Centre (as per Option 4).
- 3.6 Option 4 is the most cost effective and appropriate option due to reduced capital requirements and revenue operating costs, as well as an inability to find suitable partners who could meet with the Council's timescales and priorities.
- 3.7 The design costs and viability of Option 5 were tested solely for the storage requirements for the City Archives and Museum and Galleries collections. This would have involved a multiple split site solution for both public access to the city's archives and the Council's Records Centre.
- 3.8 The benefits of partnering with the National Museums and National Galleries, in Granton, were investigated. However, these were outweighed by the challenges associated with differing timescales, logistics, public access requirements and the reliance on as yet unsecured funding.

Option 4 - Russell Road Depot

- 3.9 The construction of a new building, as the recommended solution for the Collections Hub, brings opportunities to incorporate highly-efficient systems with a low energy consumption. This will result in substantial energy savings.
- 3.10 It is also important that the thermal performance of the building fabric is optimised, reducing heat loss within the building envelope during winter. Internal conditions may need to be closely controlled in certain areas to guarantee good conservation of collections. Therefore, to ensure that the temperature, humidity or internal air quality are not substantially influenced by external conditions, it is essential to maximise buildings air tightness.
- 3.11 The use of high efficiency LED's and lighting controls can also be incorporated, contributing further to potential building energy efficiencies. Eco-friendly opportunities, such as the use of the Passivhaus principles, will be investigated as part of the detailed design of the building. This type of building lends itself to using Passivhaus.
- 3.12 With Option 4, the site of the current Fleet Workshops at Russell Road Depot in the Gorgie/ Dalry ward has been chosen as its location, given the potential to contribute to the regeneration aspirations of the area. In addition, there are significant benefits of developing a site in Council ownership.
- 3.13 Acquisition of an alternative suitable site for a new Collection Hub was discounted as costs associated with any purchase would add additional budget pressures to the Depots Strategy.



Figure 1: Site of Russell Road Depot

- 3.14 Russell Road Depot is earmarked for closure under the Depots Gateway Review. At 6.4 acres, the site offers an opportunity for Council investment in a mixed-use development for start-up businesses, industrial uses and a Collections Hub in the heart of planned Gorgie / Dalry regeneration.
- 3.15 Given the original intent was to consolidate Fleet Services at Russell Road Depot, this site is not earmarked for a capital receipt in the Depots Strategy. Fleet Services will exit Russell Road in approximately two years as part of the relocation to the new North West Sector Depot at Bankhead. Retaining the site in Council ownership brings additional benefits, not least control of timescales.
- 3.16 The opportunity cost associated with sterilising the site for any future housing expansion is offset by the very substantial challenges to developing housing at Russell Road. The land would not currently attract a significant value on the open

market and is offset by potential planning constraints and the likely, lengthy compulsory purchase and demolition of privately owned industrial units to the front of the depot.

- 3.17 Instead, with its good communication routes and city centre access via the tram, there is potential to masterplan the Russell Road site. There are several development opportunities under consideration. One option actively being pursued is the relocation of the Car Compound from the former Tower Street Depot, given the release of that site for housing under the refreshed Depots Strategy. The Car Compound would be operated by NSL under licence and would be a contributing element within the remodelling of the site.
- 3.18 There is scope to develop new light industrial units to address unmet demand for business space and create a new income stream for the Council. This could potentially be financed via the “Spend to Save” mechanism and/or the City Strategic Investment Fund.
- 3.19 A Commercial Needs Study for the Industrial Market, commissioned by the Council, has found that the market has a low vacancy rate (4.9%), with the majority of existing stock now over 40 years old and approaching obsolescence. The study identifies a need for 81,000 sqm of new build industrial space over the period 2019 to 2030, with demand focused on smaller units. Although future demand is expected to be concentrated in well-connected locations on the city outskirts, there remains demand for modern industrial space in inner city locations, such as Russell Road, for trades/workshops, creative uses and urban services.

Stage 4: Financial Analysis

- 4.1 The financial modelling, detailed in appendix 2, describes the Business Case for the recommended delivery model of a new purpose-built Collections Hub at Russell Road, with the Council’s organisational records being managed by an external provider.
- 4.2 The total project cost of the new build Collections Hub is estimated at £3,911,600, this includes professional fees and external site works. The capital costs of construction are funded by the release of capital receipts at Broughton Market and Murrayburn Depot. In addition to the property running costs estimated at £112,000, the current CCS framework agreement rates are £200,000 per annum for records management.
- 4.3 The annual running costs are shown in appendix 4.
- 4.4 The Business Case is contained within the Depots Strategy funding model which continues to be self-funding. The total cost of the strategy is being met from within the capital receipts achieved and will continue to be contained within the previously approved prudential borrowing of £20.85m. The Depots Strategy spreadsheet is attached as appendix 7.
- 4.5 At the outset of the Depots Strategy, the overall loan charges associated with the expenditure to be funded by borrowing over a 20-year period was originally forecast to be a principal amount of £20.85m and interest of £13.59m, resulting in a total cost

of £34.44m based on a loans fund interest rate of 5.1%. The annual loan charges would be £1.72m which could be accommodated by identified revenue savings.

- 4.6 The Depots Strategy continues to deliver enhanced service delivery and an improved estate at no net revenue cost. The accelerated approach to delivery of the strategy since December 2018 now means that the project may deliver a further potential revenue saving. At present the balance sheet shows a positive balance providing headroom as the savings are currently £216k per annum to the good.
- 4.7 The planned capital expenditure is £33.53m and is offset by £20.36m of capital receipts, which leaves a sum of £13.04m capital budget required to be funded by prudential borrowing. This is lower than the original forecast and is therefore still within the previously approved prudential borrowing limit.
- 4.8 There are risks associated with the capital costs as the receipts could be lower than anticipated and the capital costs higher than forecast. There are also risks inherent in the revenue savings forecast as the costs are based on estimates and are liable to change. There is sufficient headroom within the prudential borrowing limit to accommodate this.
- 4.9 External funding from the National Lottery Heritage Fund has not been included as the outcome of the bid is not yet known.
- 4.10 If the bid to the National Lottery Heritage Fund is successful, it would bring added value to the scope of the new build facility. The grant fund would allow for a bespoke technical facility, with enhanced public access, all under one roof.
- 4.11 Only through the delivery of the project is it possible to release Broughton Market and for this reason it is proposed that the capital receipt is ringfenced. This will enable the Depots Strategy to remain financially self-contained,
- 4.12 This Business Case will be requesting authority from Council that the capital receipt is ringfenced within the Depots Strategy for delivery of the Collections Hub.

Stage 5: Risks, Assumptions and Dependencies

- 5.1 A major risk to delivery of the Depots Strategy is failure to reach a decision on the preferred option for the Collections solution. This delays the closure of Murrayburn Depot.
- 5.2 The financial assumptions in this model have been tested to ensure that there is no double counting with delivery of the Depots Strategy.
- 5.3 There is a risk of building failure at Murrayburn Depot, due to an absence of regular maintenance which could impact on delivery of operational services.
- 5.4 In 2018/19 the repairs at Murrayburn Depot were £96,916. An additional £40,000 is projected in the first six months of 2019/20 due to recent flooding. The removal of

the repairs and maintenance burden at Murrayburn would achieve an efficiency which could be deployed across the rest of the operational estate.

- 5.5 Delivery of the consolidated Collections Hub is an enabler in delivery of the Cultural Services Review.
- 5.6 A fuller risk assessment forms part of background data gathering and is available as supporting evidence.

Stage 6: Approvals and Consultation

Approvals

Name	Action	Role	Date
City Collections Storage Board	Approval of Options Appraisal to next stage	Lynne Halfpenny, Director of Culture – Chair and SRO	06/05/19
Depots ISG	Approval of Options Appraisal to next stage	Gareth Barwell, Head of Place Management - Chair	30/05/19
Asset Management Board	Approval of Options Appraisal to next stage	Stephen Moir, Director of Resources - Chair	11/07/19
Change Board	Referral of Business Case to CLT	Andrew Kerr, Chief Executive	21/08/19
CLT	Approval of Business case and Records Management recommendation	Oversight from Council Leadership Team ahead of Committee approval	11/09/19
Committee	Decision	Finance & Resources	10/10/19
Lottery Heritage Fund	Decision	Stage One Submission	19/11/19
Committee	Decision	City of Edinburgh Council	21/11/19

Consultation

Department	Name(s)	Role	Date
Place Management	Gareth Barwell	SRO/ Approval of Business Case	27/08/19
Culture	Lynne Halfpenny	SRO/ Approval of Business Case	27/08/19

Finance	Hugh Dunn	Briefing as Head of Finance	29/08/19
Strategy and Communications	Gavin King	Approval of Business Case	05/09/19
Property and FM	Peter Watton	Briefing as Head of Property and FM	03/09/19
Locality	Mike Avery	Community Engagement	27/08/19
National Lottery Heritage Fund	Tom Ingrey Counter/ Megan Braithwaite	Feedback on application to NLHF	27/08/19
Ward Councillors	Denis Dixon Catherine Fullerton Ashley Graczyk Donald Wilson	Briefings to be offered to Ward Councillors	16/09/19 - 27/09/19
Property and FM	Lindsay Glasgow/ Craig Dalglish	Input into Business Case	04/09/19
Finance	Alan Keatinge/ Rebecca Andrew/ Mark Hare/ Denise Pryde/ Sheona Walker	Input into Business Case	04/09/19
Strategy and Communications	Kevin Wilbraham/ Henry Sullivan	Input into Business Case	04/09/19
Culture	Frank Little and Nico Tyack	Input into Business Case	04/09/19

Appendices

Appendix 1: Options Appraisal Summary

Appendix 2: Cost Analysis

Appendix 3: Construction Costs

Appendix 4: Running Costs Table

Appendix 5: Murrayburn Occupancy

Appendix 6: Running Cost Savings

Appendix 7: Depots Strategy Spreadsheet

Appendix 1: Options Appraisal Summary

Option 1: Retain and upgrade existing buildings

This option makes no change to the location of the storage facilities and assumes the retention of storage in the following buildings:

- **Murrayburn Depot:** Records Centre, City Archives, storage associated with the Museum and Galleries venues;
- **City Chambers:** City Archives public facing facility, including management of different storage areas within the building;
- **Innerleithen:** Iron Mountain overspill facility in the Scottish Borders (Records Centre);
- **Albion Road:** an overspill storage unit, currently leased in for the Museum and Galleries venues;
- **Museum Collections Centre:** storage associated with the Museum and Galleries at Broughton Market; and
- Storage facilities dispersed across **six Museums and Galleries venues.**

Option 1 concludes that the location of the City Archives and Records Centre would not change, but the retained Murrayburn Depot building needs investment. The current offices and workshops would be demolished and refurbishment works undertaken on the remaining buildings. This is necessary to bring the City Archives and Records Centre up to a Building Focused Standard – BS EN 16893:2018 and Storage Systems Focused Standard – BS 4971:2017.

Retention of the City Archives and Records Centre at Murrayburn require a cost of £1,750,289 for separating and modifying underground services, plant and public utilities from the buildings which are being demolished. Although existing mechanical installations are in reasonable working order and have remaining lifespan of 5 – 10 years, they would be replaced as part of the services renewal to reduce the need for longer term capital investment. The costs quoted by Currie & Brown are likely to be an underestimate, as initial investigations suggest that separating, replacing service and plant is not straightforward. An enhanced contingency has been factored into the financial table at appendix 1 to cover this additional risk.

The upgrading of Murrayburn Depot, as part of **Option 1**, necessitates a total decant and temporary storage solution for the duration of the works, costing in the region of £286,046. This in addition to £1,750,289 separation costs and is factored into the financial tables at appendix 2. Moreover, it is unlikely that any temporary storage solution will have sufficient capacity to store archival materials with necessary environmental controls. This could lead to record deterioration and information loss.

The retention of part of Murrayburn Depot for City Archives and the Records Centre would sterilise the remainder of the site for residential redevelopment.

By taking a more strategic, placemaking approach to the site, perhaps incorporating neighbouring Longstone Depot (now vacant as part of the refreshed Depots Strategy), then the land becomes attractive for residential development. Murrayburn Depot alone could provide land for between 150 - 200 homes, while the Longstone development has potential

to add a further 33 homes. Acquisition of the neighbouring builder's merchants site, to consolidate ownership, would greatly enhance the development opportunity by linking the two depot sites. Murrayburn Depot, is currently valued at £3.6m (this capital receipt could be allocated to re-provisioning City Archives and the Records Centre in a different location under one of the other options detailed in this appraisal).

There are additional one-off (pro rata) costs associated with repairs and upgrades at the Museum and Galleries sites (£696,085) and an annual lease renewal cost at Albion Road (£11,785). There is an opportunity cost associated with retaining storage across the Museum and Galleries venues, as this entails using floor-space in prime locations for low value uses.

Option 1 costs, detailed in appendix 2 and 3 are as follows:

Upgrade costs, including fees total £2,754,425

25 year costs total £17,207,386 (including built costs, running costs and records management).

Option 2: Develop new purpose-built storage facilities at Russell Road Depot retaining organisational records in-house

This option entails the Council funding the development of a new storage facility which it would then own and operate as part of its operational estate.

The obvious benefit of this approach is that a new purpose-built facility could be designed to meet the Council's precise specifications and that the Council retains management control. The building would be energy efficient, sustainable and have its own public access. Co-location of museum and archive staff would also provide opportunities to enhance existing services and collections management.

A purpose-built facility would host all the City Collections storage in one location facilitating the release of Murrayburn Depot, both the back office and the public facing element of the City Chambers, Innerleithen overspill facility, Albion Road stores and the Museum Collection Centre. Exiting the storage areas associated with six museums and galleries is an enabler to the wider Cultural Services Review.

A major consideration in relation to this option is the cost. Currie and Brown estimate the build costs to create a new, purpose-designed storage facility of this size would be £6,154,008 including all fees and taxes. Given the Russell Road Depot site is to be vacated as part of the refreshed Depots Strategy, this option assumes its retention for delivery of the storage solution alongside other mixed use options.

Creating a new purpose-built store at Russell Road Depot requires the demolition and clearance of the current fleet maintenance sheds. This has been included in the estimate, together with wider site remodelling at an additional cost in the region of £600k.

The main benefit to the Council of a new purpose-built storage facility at Russell Road Depot is that it is designed to a bespoke brief which accords with professional archival and museum standards, and provides opportunities for improved service delivery.

However, a large new building will take more time to construct, require additional design fees and additional preparation works on the site of the current depot Maintenance Shed. The existing services to the site would need to be isolated and new services installed also adding to the time and cost associated with a new build. The costs below are therefore high-level

budget figures which are likely to increase during site clearance, demolition and grubbing out of foundations and investigative works.

Option 2 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £6,154,008

25 year costs total £17,495,085 (including running costs and Records Management).

Option 3: Re-purpose an existing Council building at Russell Road Depot as a storage facility for the City Archives, Records Centre, Museum and Galleries storage collections

Option 3 entails the same brief and service requirement as a new build, but is more affordable as it involves re-purposing and fitting-out the 3,000 sqm workshop at Russell Road Depot. This is a two-storey building comprising a mix of vehicle workshop space and modular ancillary areas including offices, staff facilities and stores. While invariably some degree of refurbishment is required, the costs of major structural works are potentially avoided.

A survey of the building undertaken in 2016 identified £230k repairs required to address major faults, not including works required to the surrounding grounds.

Currie and Brown estimate the re-purposing design and costs of the main depot building would be approximately £3.605m, with a further £600k to remodel the wider site. Like Option 2, site remodelling includes the relocation of the Car Compound from Tower Street Depot and the creation of industrial units which will be funded separately.

Currie and Brown estimate an 18 month build period; which taking account of lead in times, suggest that this site could be ready for occupation in 2022. The refurbished building would be energy efficient and with an enhanced level of conversion which includes profiled wall cladding, renewal of windows and renewal of insulated roller shutter doors. Public access, office, welfare and other facilities would be refurbished with new fittings, finishes and redecorated. Services would be completely renewed and incorporate a new goods lift, fire alarm access controls, security and CCTV systems.

The Council would also have an opportunity to apply to external funding bodies for build costs or to potentially extend the use of facilities.

In addition, under both options 2 and 3, there may also be potential to include space for a partner such as Historic Environment Scotland (HES), generating an additional income stream for the Council and offer opportunities for greater community engagement.

Such a facility could significantly open up the City's Collections to a wider and more diverse audience through combining professional standard storage and enhanced collections management with a focus on outreach and community engagement. In turn, this would help meet the Council's Business Plan outcomes associated with citizen participation in the cultural life of the city and with access to suitable amenities.

While there are similar pros and cons between options 2 and 3, the costs of re-purposing Russell Road Depot are considerably lower. Both options allow for a bespoke, fit for purpose storage and access facility.

Option 3 facilitates the consolidation of the combined storage requirements of City Archives, Records Centre, Museums and Galleries, a key objective of this Business Case. The

performance of the re-provisioned building will significantly increase from what exists at present across a number of sites and would meet the required standards of the Council's archival and other materials.

Option 3 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £4,945,080.

25 year costs total £16,120,544 (including built costs, running costs and records management).

Option 4: Develop new purpose-built storage and access facilities at Russell Road Depot for the City Archives and Museums and Galleries requirements, with storage of the Council's organisational records being managed by an external provider

This option entails the Council funding the development of a new small storage facility which it would then own and operate as part of its operational estate. The Council's physical records storage needs would be handled externally.

As with option 2, the obvious benefit of this approach is that a new purpose-built facility could be designed to meet the Council's precise specifications and that the Council retains management control. The building would be energy efficient, sustainable and have its own public access. Co-location of museum and archive staff would also provide opportunities to enhance existing services and collections management.

A purpose-built facility would facilitate the release of Murrayburn Depot, both the back office and the public facing element of the City Chambers, Innerleithen overspill facility, Albion Road stores and the Museum Collection Centre. Exiting the storage areas associated with six museums and galleries is an enabler to the wider Cultural Services Review.

Currie and Brown estimate the build costs to create a new, purpose-designed storage facility of this size would be £3,911,600. Given the Russell Road Depot site is to be vacated as part of the refreshed Depots Strategy, this option assumes its retention for delivery of the storage solution alongside other mixed use options.

Creating a new purpose-built store at Russell Road Depot requires the demolition and clearance of the current fleet bodyshop, whose operatives will relocate to the large maintenance shed. This has been included in the estimate, together with wider site remodelling at an additional cost in the region of £550k. The small new build location will be cleared sooner than the fleet maintenance shed allowing for the construction of the smaller new build to take place sooner than the large scale build. However, there is still a potential risk regarding isolating existing services.

The main benefit to the Council of a new purpose-built storage facility at Russell Road Depot is that it is designed to a bespoke brief which accords with professional archival and museum standards, while providing enhanced service delivery.

For this option, the Council Records would be stored externally. Based on the reduced box total of 40,000 boxes, current CCS framework agreement rates and average Records Centre usage over the last five years (new consignments received, retrievals and destructions etc.), it is estimated that an out-sourced solution will cost approximately £200,000 per annum.

Option 4 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £ 3,911,600.

25 year costs total £14,889,996 (including built costs, running costs and external records management).

Option 5: Partner with other organisations (primarily National Museums Scotland at Granton Waterfront) for City Archives and Museum and Galleries storage collections, with a separate solution for the Records Centre

This option entails the Council entering an agreement with a partner organisation(s) to work together to meet the Council's storage requirements. A number of national public bodies are potentially developing new storage facilities in Edinburgh, all of whom have expressed an openness to working with the Council.

Over the last year, lengthy discussions have been had with the National Museums of Scotland (NMS) and, to a lesser degree, Scottish Futures Trust (SFT) as outlined below:

National Museums Scotland

- In line with its aspirations to create a National Museums Collection Centre, NMS recently completed a £3.5 million extension and has plans to develop further new buildings at the NMCC including "Gateway North". To facilitate this expansion, National Museums Scotland approached the Council to acquire an adjoining site in Council ownership. Finance and Resources Committee approved this transaction in 27th March 2018;
- Three joint workshops have been held with NMS and Council officers to explore the synergies of how a shared space could operate, including access arrangements, security and potential shared space, such as conservation laboratories, meeting rooms and welfare facilities. Discussions concluded that there would be difficulties in trying to maintain the current level of public access required by the City Archives. While this could be mitigated by maintaining public access at the City Chambers or by utilising another Council facility; there would be increased staffing costs and operational difficulties in trying to operate across multiple sites;
- NMS plans for their new 6,500 sqm storage facility includes 2,300 sqm space for the Council's City Collections storage requirements, which equates to a £3.3m contribution to build costs from the Council. This capital injection would be in return for a peppercorn rent for the facility. However, the Council would be expected to contribute to both a percentage of running costs and a site service charge. NMS have not as yet provided detail on these costs;
- The Council would need to pay Land and Building Transactions tax, as well as non-domestic rates.
- NMS have not secured capital funding to purchase the required development land from the Council, nor do they have approved Scottish Government finance in place to pay for the construction of the storage facility (estimated at £13m); and
- The Council has been advised by Scottish Government officers that they are currently unable to provide a definitive timetable for funding being made available to NMS.

Scottish Futures Trust

- Scottish Futures Trust are currently scoping the delivery of a collaborative storage solution that would bring together the storage needs of National Records of Scotland (NRS), National Library of Scotland (NLS) and Historic Environment Scotland (HES), along with Scottish Government records. The proposal is to develop a building which will meet the archival-based records storage requirements of each organisation for the next 25 years. A preferred site for the development has been selected in the Sighthill area of Edinburgh on land owned by NRS and NLS adjacent to Thomas Thomson House, an existing NRS facility;
- The Council has held regular discussions with SFT. While SFT are noting the Council's interest in this development and will include it within their strategic Options Appraisal, this storage solution would only be available for the City Archives. Alternative locations would be required for the Museums and Galleries storage, as well as the Records Centre, in effect, splitting the Council's City Collections storage across three sites; and
- SFT have confirmed that there would be no capital funding available until at least 2021. This does not align with the Depots Strategy timescales.

Realistically, a partnership with SFT does not look viable for reasons of split site solutions, lack of confirmed funding and uncertain timescales.

By contrast, the National Museums (and National Galleries) are hoping to invest significant funds and resources to develop their services in Granton. In partnership with government and third sector agencies, there is a major commitment to Placemaking. The opportunity to partner with the national institutions would bring benefits of shared services and align with both Scottish Government's and the Council's own agenda.

The main advantage of a partnership approach is that the risks to the Council associated with developing storage space could be shared with a third party. Additionally, partnering with other organisations to deliver services could potentially bring economies of scale and operational efficiencies, as well as synergies associated with a "one public sector" approach.

However, securing a joint solution with NMS, while supporting the wider regeneration objectives of Granton Waterfront, does leave the Council exposed to delays and costs outwith its control. A more immediate, secondary solution is required for the public access facility associated with the City Archives.

Option 5 is further complicated by the need to secure alternative arrangements for the management and delivery of the Council's Records Centre. It is not possible to host City Collections, Archives, and Records in the same facility in Option 5. A quote of £200k has been provided for the provision of records management by an external provider.

Despite considerable effort, it has not been possible to negotiate a joint solution with the National Museums of Scotland for a shared storage facility at Granton Waterfront, at this time, due to challenges around timescales, logistics, public access requirements, and reliance on Scottish Government funding.

Option 5 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £4,354,100

25 year costs total £14,523,859 (including built costs, running costs and records management).

Appendix 2: Cost Analysis

		Option1	Option 2	Option 3	Option 4	Option 5
		Retain and Upgrade	New Build internal Records Management	Repurpose Russell Road Depot	Small new build external Records Management	NMS and (External Arrangement for Records Centre)
1	Build costs plus fees, taxes and external work*	£ 2,754,425	£ 6,154,008	£ 4,945,080	£ 3,911,600	£ 4,354,100
2	Released Capital Receipt	£ -	£ 4,600,000	£ 4,600,000	£ 4,600,000	£ 4,600,000
3	Capital Receipt less costs	£ -	£ 1,554,008	£ 345,080	-£ 688,400	-£ 245,900
4	Building Running costs (year 1)	£ 117,538	£ 209,793	£ 180,993	£ 111,982	£ 104,311
5	25 year running building costs	£ 5,609,701	£ 10,012,812	£ 8,638,271	£ 5,344,576	£ 4,978,439
6	Records Management running costs	£ 243,000	£ 156,772	£ 156,772	£ 200,000	£ 200,000
7	Records management costs over 25 years	£ 11,597,685	£ 7,482,273	£ 7,482,273	£ 9,545,420	£ 9,545,420
8	Records management costs over 25 years Plus running costs over 25 years	£ 17,207,386	£ 17,495,085	£ 16,120,544	£ 14,889,996	£ 14,523,859

* line 1 includes an additional 5% uplift for options 1,2,3 and 5 to bring them in line with the September 2019 costs. The costs for Option 4 are based on September 2019 prices.

Appendix 3: Running Costs Table

<u>Baseline Costs (running costs 2018/19)</u>	Amount
Murrayburn: Utilities	£ 112,036
Murrayburn: Rates	£ 230,483
Murrayburn: Insurance and Security	£ 33,160
Broughton Market: Utilities	£ 6,283
Broughton Market: Rates	£ 12,240
Albion Road: Rent	£ 8,600
Albion Road: Rates	£ 3,120
Albion Road: Utilities	£ 2,200
Total	£ 408,122

Option 1: Retain Murrayburn and current arrangements for M&G sites, Annual cost	Year 1	Year 5	Year 25	
Status quo (with investment) running costs	2021/22	2025/26	2045/46	Total over 25 years
Murrayburn: Utilities (gas, electricity, water 1,305@£13.70 m2)	£ 17,879	£ 21,731	£ 57,660	£ 853,289
Murrayburn: Rates (1,305@ £25m2)	£ 32,625	£ 39,656	£ 105,219	£ 1,557,097
Murrayburn Site maintenance (1,305@£10 per m2) *	£ 13,050	£ 15,862	£ 42,088	£ 622,839
Broughton Market: Utilities (gas, electricity, water 635@ £13.70 m2)	£ 8,700	£ 10,574	£ 28,057	£ 415,202
Broughton Market: Rates (635@ £25m2)	£ 15,875	£ 19,296	£ 51,198	£ 757,668
Broughton Market: Site maintenance (635@ £10m2)	£ 6,350	£ 7,718	£ 20,479	£ 303,067
Broughton Market: Cleaning (635@£17m2)	£ 10,795	£ 13,121	£ 34,815	£ 515,214
Albion Road: Rent	£ 8,200	£ 9,967	£ 26,446	£ 391,362
Albion Road: Rates (105@ £25m2)	£ 2,625	£ 3,191	£ 8,466	£ 125,284
Albion Road: Utilities	£ 1,439	£ 1,749	£ 4,641	£ 68,679
Option 1 total	£ 117,538	£ 142,865	£ 379,069	£ 5,609,701
Records Management Under current agreement	£ 243,000	£ 295,368	£ 738,699	£ 11,597,685
Total (Option1 plus Records Management)	£ 360,538	£ 438,233	£1,117,768	£ 17,207,386

<u>Option 2: New build at Russell Road, annual cost (full size)</u>	Year 1	Year 5	Year 25	
New build running costs	2021/22	2025/26	2045/46	Total over 25 years
Rates (25m2)	£ 82,500	£ 100,279	£ 266,071	£ 3,937,486
Utilities (gas, electricity, water)	£ 65,493	£ 79,607	£ 211,221	£ 3,125,791
Site maintenance (£10 per m2)	£ 61,800	£ 75,118	£ 199,611	£ 2,949,535
Option 2 total	£ 209,793	£ 255,004	£ 676,903	£ 10,012,812
Internal Records Management Provision	£ 156,772	£ 190,557	£ 505,605	£ 7,482,273
Total (Option 2 plus Records Management provision)	£ 366,565	£ 445,561	£ 1,182,508	£ 17,495,085

<u>Option 3: Repurpose Russell Road, annual cost</u>	Year 1	Year 5	Year 25	
Russell Road running costs	2021/22	2025/26	2045/46	Total over 25 years
Rates (25m2)	£ 82,500	£ 100,279	£ 266,071	£ 3,937,486
Utilities (gas, electricity, water)	£ 65,493	£ 79,607	£ 211,221	£ 3,125,791
Site maintenance (£10 per m2)	£ 33,000	£ 40,112	£ 106,428	£ 1,574,994
Option 3 total	£ 180,993	£ 219,998	£ 583,720	£ 8,638,271
Internal Records Management Provision	£ 156,772	£ 190,557	£ 505,605	£ 7,482,273
Total (Option 2 plus Records Management provision)	£ 337,765	£ 410,555	£ 1,089,325	£ 16,120,544

<u>Option 4: Small new purpose built storage facilities external records management</u>	Year 1	Year 5	Year 25	
New build at Russell Road, annual cost (1845m2)	2021/22	2025/26	2045/46	Total over 25 years
Rates (Increased rate due to uses)	£ 75,000	£ 91,163	£ 241,882	£ 3,579,532
Utilities (gas, electricity, water breakdown below)	£ 18,532	£ 22,526	£ 59,768	£ 884,479
Site maintenance (£10 per m2)	£ 18,450	£ 22,426	£ 59,503	£ 880,565
Option 4 total	£ 111,982	£ 136,115	£ 361,153	£ 5,344,576
External Records Management Provision (IM contract only)	£ 200,000	£ 243,000	£ 645,019	£ 9,545,420
(Total Option 4b plus Iron Mountain Contract)	£ 311,982	£ 379,115	£ 1,006,172	£ 14,889,996

Option 5: Partner with NMS and External Records management (M&G and Archive only)	Year 1	Year 5	Year 25	
NMS Granton Site annual costs	2021/22	2025/26	2045/46	Total over 25 years
Rent (peppercorn)	£ 1	£ 1	£ 1	£ 25
Non domestic Rates (£25m2)	£ 45,000	£ 54,698	£ 145,129	£ 2,147,719
Utilities (C&B costs)	£ 41,310	£ 50,213	£ 133,229	£ 1,971,606
Site maintenance (£10 per m2)	£ 18,000	£ 21,879	£ 58,052	£ 859,088
Option 5 total	£ 104,311	£ 126,790	£ 336,411	£ 4,978,439
External Records Management Provision (IM contract only)	£ 200,000	£ 243,000	£ 645,019	£ 9,545,420
Total (Option 5 plus Iron Mountain contract)	£ 304,311	£ 369,790	£ 981,430	£ 14,523,859

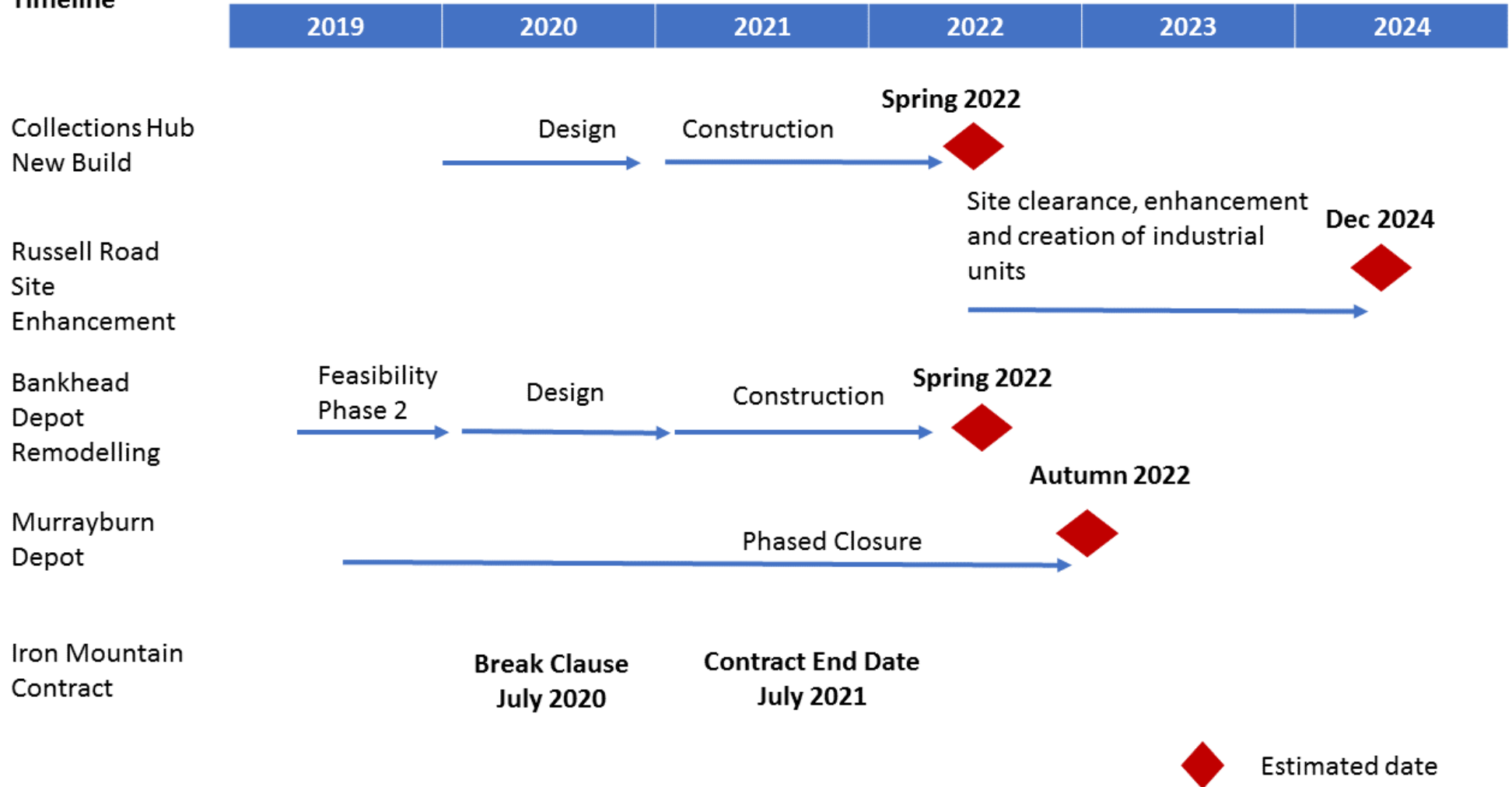
Appendix 4: Russell Road Mock Up



Page 180

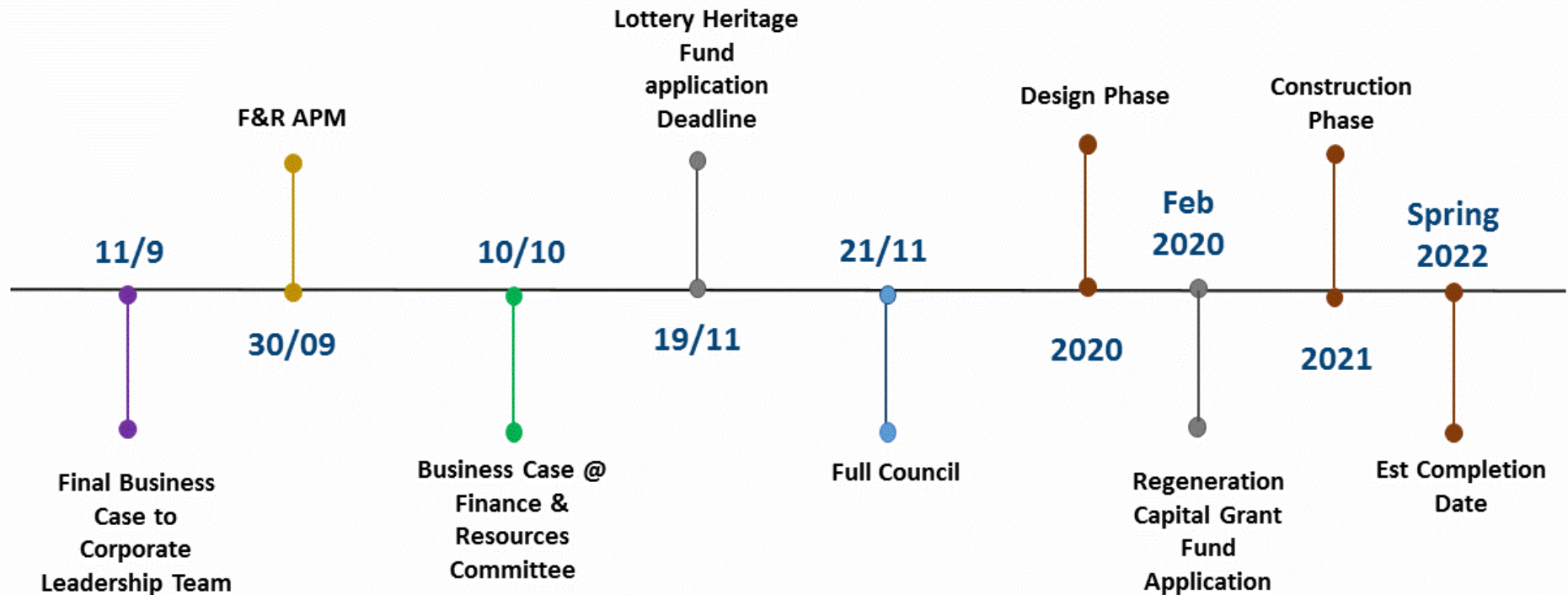
Appendix 5: Depots Strategy Timeline

Timeline



Timeline

Page 182



Appendix 7: Depots Strategy Financial Spreadsheet

DEPOTS AND STORAGE PROJECTS COMBINED 03/09/2019

Financial Profiling

	Actual spend							CAPITAL		Original Budget
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total	
SPEND: Sites to be retained:	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Budget	
Seafield Ph1 (39915)	66	4,929	227	43					5,265	5,800
Seafield Ph2 (39916)	74	1,723	1,605	908					4,310	3,200
Bankhead WTS (39913)	8	117	2,017	6,945	1,430	200			10,737	10,600
Bankhead ERS (39919)	-	-	-	189					189	0
Clock Tower										92
Total 'Sites to be retained'	74	5,120	3,967	8,782	2,358	200	0	0	20,501	19,600
SPEND: Sites under review:										
New Fleet Provision (formerly Russell R)	8	43	120	-	2,829				3,000	7,100
South East Depot					6,000				6,000	0
North West Depot (Bankhead)										0
Russell Road (new storage ind. units)						3,911			3,911	0
Demolition works at Peffer (39920)										0
Demolish/separate Murrayburn (39921)										0
Demolition works at Russell Road (39922)										0
Total 'Sites under review'	8	43	120	0	8,829	3,911	0	0	12,911	7,100
Total					11,187	4,111	0	0	33,412	26,700
INCOME: Sites under review:										
The Inch										-2,470
INCOME: Sites to be released:										
Baileyfield										0
Balcarras St	-793								-793	-793
Bracehead										-100
Burgess Road									-230	-230
Bleckford										0
Cowans Close									-1,000	-700
Longstone									-430	-230
Murrayburn										-500
Peffer Place	-3,000								-3,000	0
Powderhall - Capital receipt					-5,500				-5,500	-3,500
Powderhall - Running costs										0
Powderhall - Service costs										0
Place Budget	-1,431								-1,431	-60
Barnton - running costs										-420
Barnton - Lease Income										0
Russell Rd CP costs										0
Russell Rd Service P costs										0
Wood Centre										0
South Groathill					-1,000				-1,000	0
Stanley Street										0
Tower Street Depot						-1,330			-1,330	-730
Storage										
Murrayburn										-3,600
Murrayburn Rents- HES										0
Murrayburn Rents- Taxi Ramp										0
Murrayburn Rents- CAB Licencing										0
Broughton Market										-1,000
Albion Road										0
Total 'Sites to be released'	-795	-4,431	0	0	-7,500	-2,350	-5,280	0	-20,356	-7,015
Net Cost	-713	732	4,087	8,782	3,687	1,761	-5,280	0	13,056	17,215
Prudential Borrowing requirement	713	-732	-4,087	-8,782	-3,687	-1,761	5,280	0	-13,056	
Cost of Borrowing					302	144	-433	0		

Note - Murrayburn capital receipt of £3.6m equates to contribution to new storage project at Russell Road.
Note - Original Budget currently reflects the Depots Only original budget.

	REVENUE							Total	Original Budget
	Projections								
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Revenue
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	0	0	50	118	114	0	0	0	282
	0	0	0	0	0	0	0	0	0
	0	0	0	0	275	0	0	0	275
									0
					92	0	0	0	92
	0	0	50	118	481	0	0	0	649
									189
	0	0	0	0	0	100	0	0	100
						280	0	0	280
						0	0	0	0
						30	177	0	207
									0
	0	0	0	0	30	557	0	0	587
	0	0	50	118	511	557	0	0	1,236
									0
	0	0	0	0	0	0	0	0	0
	0	0	-100	0	0	0	0	0	-100
	0	0	0	-14	0	0	0	0	-14
	0	0	0	0	0	0	0	0	0
									-10
									-17
	0	0	0	0	0	0	0	0	-27
	0	0	0	0	0	0	0	0	-16
	0	0	0	0	0	0	0	0	-363
	0	0	0	0	0	-283	0	0	-283
									0
	0	0	0	-209	0	-175	0	0	-384
	0	0	0	0	-800	0	0	0	-800
									-60
	0	0	0	0	-27	0	0	0	-27
									9
									-20
									-319
									-40
									-35
									0
									0
									0
									0
									-19
									-13
	0	0	-160	-223	-971	-846	-329	7	-2,522
	0	0	-110	-105	-460	-289	-329	7	-1,286
Available PB Capital									15,689
Surplus in PB									-2,633
Annual Surplus									-216

Total Revenue Forecast to 2023	-1286
Multiplied by -12.2	
Available Capital PB	15689
Capital Budget	13056
Surplus in Prudential Borrowing*	-2633
This equates to:	
Annual Revenue Stream Surplus*	-216
*Negative figures represent a surplus	

This page is intentionally left blank

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

New Build Housing Framework Agreement Lot 2

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 The Finance and Resources Committee is asked to:
- 1.1.1 Approve the award of Lot 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
 - 1.1.2 Notes that the Framework Agreement is for a period of three years, with the option to extend for a further one year.
 - 1.1.3 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; and
 - 1.1.4 Delegates authority to the Executive Director of Place and the Head of Place Development in line with the Scheme of Delegation for the awarding of contracts which are undertaken using the Framework Agreement and notes that these awards will be reported to Finance and Resources Committee under the quarterly procurement report for Awards of Contract.

Paul Lawrence

Executive Director of Place

Contact: Tricia Hill, Development and Regeneration Manager

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

New Build Housing Framework Agreement Lot 2

2. Executive Summary

- 2.1 The Council has one of the most ambitious affordable house building programmes in the country with over 1,000 affordable homes under construction and a further 3,500 in design development.
- 2.2 This report seeks the approval of the Finance and Resources Committee to award Lot 2 of the New Build Housing Framework Agreement to six contractors to support the delivery of new affordable homes. The award of this Lot follows on from the award of Lot 1 which was approved at the [Finance and Resources Committee](#) on the 23 May 2019. Lot 1 is for build only contracts where the Council will carry out the majority of the design work. Lot 2 allows the contractor to take full responsibility for both designing and building the homes. This gives the Council the ability to select the most appropriate Lot depending on the stage of design and complexities of the sites.
- 2.3 The Framework is expected to deliver a range of benefits; including innovation and modern methods of construction in house building, jobs, apprenticeships and training opportunities as well as support for the local economy.

3. Background

- 3.1 On 24 August 2017, the Council agreed the [Programme for the Capital – The City of Edinburgh Council Business Plan 2017-22](#), including a commitment to deliver 20,000 affordable homes over the next 10 years. It is anticipated that around 10,000 of these homes will be delivered through Council led housing and regeneration with the remaining 10,000 delivered by Registered Social Landlords and private developers.
- 3.2 On 21 February 2019, the Council approved the five-year [HRA Budget Strategy 2019/20 to 2023/24](#) which includes £677 million of investment to support the delivery of 10,000 homes.

- 3.3 The Council's Housing Revenue Account (HRA) funded house building programme has been growing annually, with around 1,900 homes complete or under construction across the city at Pennywell, North Sighthill, Greendykes, Craigmillar and smaller sites. A further 3,500 homes are at design development stage forming a pipeline programme. This programme includes construction of homes that will be owned and managed by the Council's housing partnership, Edinburgh Living for mid and market rent.
- 3.4 To date the Council has used a variety of procurement routes including accessing externally procured frameworks such as SCAPE and Scottish Procurement Alliance (SPA), individually procured construction contracts as well as Development Agreements to deliver affordable housing and mixed tenure regeneration.
- 3.5 In order to accelerate development and provide greater certainty for the delivery of the pipeline programme, a procurement exercise has been undertaken to establish a house builder framework.
- 3.6 The Framework is not intended to replace all routes to market. Where the Council is seeking to deliver larger mixed use and mixed tenure projects (including homes for sale) it will be necessary to procure a development partner.
- 3.7 The anticipated value of the Framework Agreement (between £250 million and £400 million), reflects both the scale of the Council's own ambitions in relation to affordable housebuilding and the potential affordable housing delivery requirements of our city region partners. The Framework may be utilised by named city region partners delivering affordable housing within the region.
- 3.8 The framework will allow us to deliver highly energy efficient homes and test practical design and construction solutions to achieving the Council's ambition to be a net zero carbon authority with many of the contractors having constructed homes to platinum standard (equivalent to net zero carbon).

4. Main report

- 4.1 The Framework has been split into two Lots. Lot 1 is for construction only and was approved on the 23 May 2019 by the Finance and Resources Committee. Lot 2 allows for the award of contracts where the contractor takes full responsibility for both designing and building the homes. The procurement exercise for these two lots was split to allow for the internal team and bidders to stagger the resources required for the tendering exercises.
- 4.2 Commercial and Procurement Services (CPS) has conducted the procurement process in accordance with the restricted procedure as set out in the Public Contracts (Scotland) Regulations 2015.
- 4.3 In response to a contract notice published on the Public Contracts Scotland portal and in the Official Journal of the European Union on 4 June 2018, 20 applicants applied to be prequalified to receive an Invitation to Tender (ITT). The prequalification submissions were evaluated by the three members of the evaluation

team, against the published selection criteria. The financial and economic standing of the applicants were also evaluated.

- 4.4 Following this evaluation, the top 12 ranked applicants were invited to tender for this Lot. All tenderers provided suitable examples of constructing affordable housing projects.
- 4.5 During the tender period, two tenderers withdrew, citing difficulties with resources.
- 4.6 The ITT noted that the Framework Agreement would be awarded based on the most economically advantageous tenders with 70% of the overall score being allocated to quality and 30% allocated to price.
- 4.7 The Framework Agreement has a high emphasis on quality to ensure suppliers meet all the necessary standards to create high quality, safe and defect free homes. The Agreement allows for awards to be made on the following basis:
 - 4.7.1 based on the ranking determined by the tendering process (where price is negotiated via open book cost sharing with the top ranked contractor who has the availability to deliver); and
 - 4.7.2 via mini competitions conducted with an emphasis on price on the basis that all contractors have met an acceptable quality threshold.
- 4.8 Tenders were returned in June 2019. These tenders were then evaluated in accordance with the evaluation and scoring criteria set out in the ITT.
- 4.9 A minimum score of 5 out of 10 was set for each individual criterion to ensure that any bidder failing to provide a satisfactory response to any of the published evaluation criteria requested within the tender documentation could be disqualified.
- 4.10 Each criterion was evaluated individually by three officers. On completion of these individual evaluations, a consensus meeting was held, attended by the members of the evaluation team and the procurement lead from CPS. Individual evaluation scores were reviewed and debated, and a consensus score reached for each qualitative submission. The appropriate weightings were then applied to each of the individual evaluation criteria to arrive at a final quality score out of 70% for each bidder.
- 4.11 The tenderers' pricing submissions were separately evaluated by the project's external cost consultants, David Adamson and Partners. The lowest priced tender received was awarded the maximum score of 30% for price, with the other tender scored on a pro-rata basis against this lowest bid.
- 4.12 The quality scores were then combined with the scores from the price evaluation to derive an overall score for each bidder out of a maximum of 100%.

4.13 The scores achieved by each bidder are:

Bidder	Quality Score (70.00)	Price Score (30.00)	Total Score (100.00)	Rank	Recommended Award(Y/N)
CCG (Scotland) Ltd	58.80	30.00	88.80	1	Y
ENGIE Regeneration Ltd	57.05	18.93	75.98	2	Y
Hart Builders (Edinburgh) Ltd	50.05	24.65	74.70	3	Y
Robertson Partnership Homes Ltd	50.75	23.86	74.61	4	Y
Hadden Construction Ltd	53.55	16.40	69.95	5	Y
CBC (Glasgow) Ltd	46.20	15.64	61.84	6	Y
Bidder 7	42.00	16.71	58.71	7	N
Bidder 8	43.05	13.56	56.61	8	N
Bidder 9	38.50	9.06	47.56	9	N
Bidder 10	36.75	6.54	43.29	10	N

5. Next Steps

- 5.1 Following the award of the Framework Agreement for Lot 2 to the listed contractors, a mandatory 10-day standstill period will commence before entering into Framework Agreements with each contractor.
- 5.2 Development and Regeneration will manage the Framework Agreement, monitoring the performance of the framework overall and of individual contractors in terms of quality of homes built and value for money. This will be done through a series of Key Performance Indicators (KPIs) to be established in consultation with the Framework contractors.

6. Financial impact

- 6.1 The Lot 2 framework value is expected to be between £250 million and £400 million over the maximum four-year term
- 6.2 The programme budget for Council house building was agreed as part of the HRA Budget Strategy 2019-2024 on the 21 February 2019.
- 6.3 The Framework will save staff cost and time by removing the need to tender individual projects on the open market or pay access fees for externally managed frameworks (typically between 1% and 3% of the construction value). It will also allow more predictability in the programming of sites with access to suitably qualified and financially stable contractors at a time of economic uncertainty.

- 6.4 Should the Framework not be awarded then there is a risk of significant delays to programme spend, delivery and completion of new homes as projects will have to be procured individually.

7. Stakeholder/Community Impact

- 7.1 The Council has a Community Benefits Procurement Programme and as part of the evaluation process contractors have committed to community benefits including:
- 7.1.1 School and college visits;
 - 7.1.2 Work placement and apprenticeships;
 - 7.1.3 Supply chain opportunities and support for SMEs; and
 - 7.1.4 Community engagement and volunteering.
- 7.2 Delivery of community benefits will be tracked through the framework management arrangements.

8. Background reading/external references

- 8.1 [Acceleration Housing Delivery and Brownfield Regeneration](#)
- 8.2 [Programme for the Capital – The City of Edinburgh Council Business Plan 2017-22](#)
- 8.3 [Housing Revenue Account Budget Strategy 2019 -2024](#)
- 8.4 [New build housing framework agreement lot 1](#)

9. Appendices

- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes.

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Lot 2 New Build Housing Framework Agreement	
Contract Period	Three years with option to extend by additional 12 months	
Estimated Contract Value (including extensions)	£250M to £400M	
Procurement Route Chosen	Restricted Procedure	
Tenders Returned	10	
Names of Recommended Supplier(s)	<ul style="list-style-type: none"> • CBC (Glasgow) Ltd • CCG (Scotland) Ltd • ENGIE Regeneration Ltd • Hadden Construction Ltd • Hart Builders (Edinburgh) Ltd • Robertson Partnership Homes Ltd 	
Cost / Quality Split	30% Cost	70% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>The Framework Agreement formation has a high emphasis on quality to ensure suppliers meet all the necessary standards to create high quality, safe and defect free homes.</p> <p>The cost assessment at Framework Agreement level requires suppliers to submit capped profit percentage levels and commit to working with the Council on all awards of Business on an open book costing model.</p> <p>The majority of Contract awards within the Framework Agreement shall be based on mini competitions where the competition criteria shall have a stronger emphasis on price.</p> <p>The following quality criteria were assessed:</p> <p>Management Team (5%)</p> <p>Team Structure (5%)</p> <p>Project/Design Team (15%)</p> <p>Project Management and Design Approach (20%)</p> <p>Modernisation and Innovation (15%)</p> <p>Defects and Snagging (10%)</p> <p>Cost and Risk Management (10%)</p> <p>Community Benefits (10%)</p> <p>Sustainable and Environmental Practices (5%)</p> <p>Fair Works Practices (5%)</p>	
Evaluation Team	Audrey Marchbank – Resource Officer, Place Development (Qualification stage only)	

	<p>Rachel Fraser – Construction Project Manager, Place Development (Qualification stage only)</p> <p>David Robertson – Senior Construction Project Manager, Place Development</p> <p>Callum Smith – Senior Construction Project Manager, Place Development</p> <p>Hazel Ferguson – Senior Construction Project Manager, Place Development</p> <p>David Adamson & Partners</p>
--	---

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Bustracker – Contract Award

Executive/routine Wards Council Commitments	Executive All
---	------------------

1. Recommendations

- 1.1 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.
- 1.2 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.
- 1.3 To refer, subject to the Committee's consideration, this 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.

Paul Lawrence

Executive Director of Place

Contact: Ewan Kennedy, Service Manager – Transport Networks

E-mail: ewan.kennedy@edinburgh.gov.uk | Tel: 0131 469 3575

Bustracker – Contract Award

2. Executive Summary

- 2.1 This report seeks to award the contract for the installation of a new CMS, bus station information system and installation of a new on street RTPI system to the winning tenderer, 21st Century Solutions, at a maximum cost of £2.9 million. The new system will 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.

3. Background

- 3.1 Edinburgh's RTPI system, Bustracker, is currently provided by French based company Cofely Ineo. Edinburgh Bus Station's Information Management System and hardware were procured from and installed by TanData, now Vix Technology.
- 3.2 Both systems were first installed more than 14 years ago. The bus station system has now partially failed and due to its age cannot be repaired or maintained. In a sector where technology has advanced significantly, both systems are outdated and new products exist that can provide more efficient and effective services at lower maintenance costs.
- 3.3 The Transport and Environment Committee authorised the procurement of a bus station information system, a CMS, and to undertake an informed on-street signage review with a view of updating and replacing to lower operational costs.

4. Main report

- 4.1 Following Committee approval, Council officers and Lothian Buses agreed a procurement process.

- 4.2 The scope and aims of this contract include:
- 4.2.1 introduce a new state of the art RTPI system to Edinburgh;
 - 4.2.2 procure new CMS;
 - 4.2.3 remove the requirement to operate the system over historic private mobile radio and move to a cheaper and more efficient WIFI/GPRS communication solution;
 - 4.2.4 upgrade or replace existing on street signs;
 - 4.2.5 capability to incorporate advertising into the signs with the possibility of generating revenue;
 - 4.2.6 use technology to report back on air pollution;
 - 4.2.7 reduce the reliance on the public reporting display faults;
 - 4.2.8 publicise the uses of the open API for disseminating information;
 - 4.2.9 reduce revenue spend on maintenance;
 - 4.2.10 provision of a bus departure charging system (required) linked to an Automatic Number Plate Recognition (ANPR) system through existing CCTV (desirable);
 - 4.2.11 provision of a Dynamic Stance Allocation system; and
 - 4.2.12 control of departures from bays to ensure operational safety, possibly including interface to traffic signal junction at Bus Station access/egress point.
- 4.3 Market engagement was undertaken, with several suppliers to support the development of the specification requirements.
- 4.4 The tendering process was carried out in accordance with the Public Contracts (Scotland) Regulations 2015 and Council Standing Orders.
- 4.5 The tender opportunity was published on the Public Contracts Scotland (PCS) portal on 15 April 2019 utilising the Open Procedure. Suppliers were instructed to tailor their tenders in relation to two specifications; new Bus Station Information hardware with CMS and advancement of the on-street Real Time Passenger Information signage.
- 4.6 A total of five companies submitted tenders but two were disqualified from the process based on incomplete tenders. Three tenders were then evaluated using a cost/quality ratio of 60% cost and 40% quality which was broken down into two elements, 30% for CMS and Bus Station and 10% for on street signage.

- 4.7 The recommendation for award of contract is based on the completed evaluation scores for the tenders as detailed below:

Supplier	Price score % (out of 60)	Quality Score % (out of 30)	Quality Score % (out of 10)	Combined Score % (out of 100)
21 st Century Solutions	60%	24.04%	6.5%	90.54%
Supplier B	51.76%	20.89%	6%	78.65%
Supplier C	35.99%	2.63%	0.8%	39.42%

- 4.8 The supplier with the highest overall score, which represents the most economically advantageous tender, was 21st Century Solutions and it is proposed to award the contract to them for an initial five-year period, with the opportunity to extend for two further periods of four years each.
- 4.9 Committee is asked to note that a review of all on-street signs will be undertaken and recommendations on replacement options will be presented to Transport and Environment Committee in 2020. Depending on the preferred option, the cost of installation and maintenance may be reduced.

5. Next Steps

- 5.1 A project inception meeting will be arranged with 21st Century Solutions and the project programme and risk register agreed.

- 5.2 The project programme will follow an initial three step process:

Step 1: Setup Activities

- 5.2.1 Method Statements for the system shall be provided to the Project Officer for review and approval;
- 5.2.2 System and Factory Acceptance Testing carried out to ensure the CMS system is configured correctly scripts are issued to the Project Officer for review and approval; and
- 5.2.3 System training is provided to the Council and the bus operators.

Step 2: Installation Works

- 5.2.4 System installation testing; and bus station display upgrading and installation testing.

Step 3: Testing Activities

- 5.2.5 Silent running (two weeks);
- 5.2.6 Site acceptance testing (two weeks); and
- 5.2.7 Taking over the system.

- 5.3 A review of on-street requirements will be undertaken and recommendations on the options available for replacement will be presented to Transport and Environment Committee in 2020.

6. Financial impact

- 6.1 The estimated maximum value of this contract is £2.9 million, based on a like-for-like replacement of current signage across the city. Of this total investment, it is anticipated that £0.55 million can be funded from existing capital budgets over two financial years with up to £2.35 million to be obtained through prudential borrowing. The cost of installation, maintenance and infrastructure are fixed for the contract duration and subsequent extensions.
- 6.2 If the full cost of the system was to be funded fully by prudential borrowing, the overall loan charges associated with this expenditure over a 10-year period would be a principal amount of £2.9 million and interest of £0.9 million, resulting in a total cost of £3.8 million based on a loans fund interest rate of 4.6%. The annual loan charges would be £0.38 million. As noted above, however, the actual sum to be funded by prudential borrowing will be reduced by the level of available capital funding identified from within existing budgets.
- 6.3 Including potential extensions, it is estimated that the project will deliver significant maintenance and other savings over the contract term. These savings will meet, in full, the costs of prudential borrowing of the associated upfront capital investment, with anticipated overall net revenue savings of at least £0.8 million over this period. The complete removal, replacement of the bus station including CMS and existing Bustracker system will be required to achieve the maximum savings over the new contract duration of 13 years.
- 6.4 Further savings may also be achieved by a reduced number of on-street signs, this will reduce the associated maintenance costs that will take effect from end of year five of the new contract. There are no maintenance costs associated with years one to five which has been accounted for in the overall contract value. Maintenance costs from year six onwards have been incorporated in the calculated spend profile.
- 6.5 The expected funding streams and savings in maintenance costs have been reviewed and the annual repayments of prudential borrowing of £0.299 million can be contained within the existing revenue budget in the Council's transport service in each year of the contract term, including extensions.
- 6.6 It is estimated that the decommissioning of the current system will take up to 18 months. The existing maintenance cost is in the region of £0.48 million per annum and this will be scaled back throughout the decommissioning process.
- 6.7 The new signage will have the capacity to display 'in full colour' on-street advertising. Further revenue opportunities will be explored in future subject to appropriate planning consent.

- 6.8 Further opportunities for funding will be explored to reduce the prudential borrowing sum. This will include the European Regional Development Fund.
- 6.9 The costs associated with procuring this contract incorporating legal fees are estimated to be between £20,001-£35,000.

7. Stakeholder/Community Impact

- 7.1 SEStran and neighbouring authorities have provided positive feedback and feel that the project will provide significant benefits to public transport users within and outside of Edinburgh.
- 7.2 Lothian Buses provided input into the specifications to ensure that the new bustracker system is fully compatible with their new system. As the new bustracker system will operate via mobile networks the costs associated with the use and maintenance of the current radio network will move to Lothian Buses.
- 7.3 Edinburgh Tram provided input into the specifications to ensure that the system can, if required, display real time tram information.
- 7.4 Engagement with operators using Edinburgh Bus Station showed that most use a solution called 'Ticketer' which is compatible with the new Bustracker system, allowing the display of real time information for most operators. A small number of smaller operators have no solution and they will show scheduled information. 'Ticketer' is also compatible with on street signs allowing us to display information for multiple companies.
- 7.5 Further consultation with other partners and users will be undertaken where appropriate.
- 7.6 This project will provide continued provision or enhancement to the quality of life of users through the enhancement of access to employment, educational, leisure and shopping opportunities.
- 7.7 Withdrawing the service would particularly affect vulnerable users who rely on the reassurance provided by accurate RTPI.
- 7.8 The proposals in this report are designed to help reduce carbon emissions. By providing accurate information for passengers it is hoped to reduce dependence on transport by private car and increase public transport use.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	CT2119	
Contract Period	28 October 2019 to 27 October 2032	
Estimated Total Contract Value (including extensions)	£2.9 million	
Procurement Route Chosen	Open Procedure	
Tenders Returned	5	
Price / Quality Split	Quality 40	Price 60
	Criteria	Weighting (%)
Evaluation Criterion and Weightings	Bus Station & CMS	30% (supported by 72 questions)
	On Street Signage	10% (supported by 42 questions)
Evaluation Team	Officers from Public Transport Team supported by consultancy support from Atkins LLP.	

This page is intentionally left blank

Finance and Resources Committee

10.00am, Thursday 10 October 2019

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

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 This reports seeks approval of the Finance and Resources Committee to:
- 1.1.1 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;
 - 1.1.2 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; and
 - 1.1.3 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.

Paul Lawrence

Executive Director of Place

Contact: Hannah Ross, Senior Responsible Officer

E-mail: hannah.ross@edinburgh.gov.uk | Tel: 0131 529 4810

Finances and Resources Committee

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

2. Executive Summary

- 2.1 This report seeks approval of the Finance and Resources Committee 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 are recommended for appointment are:
- 2.1.1 Turner and Townsend Limited for a total cost of £6,799,000
 - 2.1.2 Atkins Limited for a total cost of £1,195,000
 - 2.1.3 Anturas Limited for a total cost of £776,337
 - 2.1.4 Scottish Water for a total cost of £2,656,348

3. Background

- 3.1 Following approval at Full Council to proceed with the Edinburgh Tram York Place to Newhaven Project (the Project), the Council commenced an Early Contractor Involvement (ECI) period with successfully appointed contractors Sacyr Farrans Neopul Joint Venture (SFN JV) and Morrison Utility Services (MUS).
- 3.2 The ECI period will be complete in October 2019. Providing the ECI period confirms the Final Business Case (FBC) continues to be viable, works will commence in November 2019.
- 3.3 The Council will require consultancy support to deliver the construction phase of the Project from November 2019 to March 2023. It is deemed to be in the Council's best interest to continue with the existing consultants who have been working on the Project through the strategy stage to the closure of the ECI stage. This is because these consultants have significant knowledge and experience of the Project, maintaining continuity of Professional Indemnity and to ensure the positive relationships which have been built with SFN, MUS, the local community and key stakeholders is not disrupted.

4. Main report

- 4.1 This reports seeks the approval of Finances and Resources Committee to extend the existing consultancy appointments for the Edinburgh Tram York Place to Newhaven Project. These appointments are for Anturas Limited, Atkins Limited and Turner and Townsend Limited.

Turner and Townsend Limited

- 4.2 It is considered in the Council's best interest to continue to contract with Turner and Townsend Limited due to their inherent knowledge of the Project and experience of working within the Project team to date.
- 4.3 Turner and Townsend Limited Limited were appointed to provide Project Management and Commercial Management Services for the Project at its inception following a mini competition on the Scotland Excel (SXL) Technical Engineering and Consultancy Framework.
- 4.4 The original Framework which they were appointed under has expired, and a new Framework tendered by SXL. This Contract would be awarded through a Direct Award utilising the new Framework. Direct Award is permissible under the terms of the SXL Framework and is compliant with all local, national and EU Procurement Legislation.
- 4.5 The scope of services is:
- 4.5.1 Project Management services;
 - 4.5.2 Contract management and delivery;
 - 4.5.3 Process and protocols associated with interface with utility companies;
 - 4.5.4 Provision of Project Management Office;
 - 4.5.5 Assurance around Construction Design and Management Regulations and Building Information Management; and
 - 4.5.6 Design and stakeholder project management to ensure that these workstreams are delivered in tandem with other project activities.

- 4.6 The costs associated with the construction and commissioning phase of the Project are £6,799,000.

Atkins Limited

- 4.7 Atkins Limited were appointed to provide Technical Advisor and Design Services for the Project in July 2017 following a mini competition on the Scotland Excel (SXL) Technical Engineering and Consultancy Framework.
- 4.8 The original Framework which they were appointed under has expired, and a new Framework tendered by SXL. This Contract would be awarded through a Direct Award utilising the new Framework. Direct Award is permissible under the terms of the SXL Framework and is compliant with all local, national and EU Procurement Legislation.

- 4.9 It is considered in the Council's best interest to continue to contract with Atkins Limited due to their inherent knowledge of the Project and experience of working within the Project team to date.
- 4.10 The scope of services is:
- 4.10.1 to provide engineering management support to the Project;
 - 4.10.2 to provide specialist technical support to the Project;
 - 4.10.3 to review the design development; and
 - 4.10.4 to undertake a design audit.
- 4.11 The costs associated with the construction and commissioning phase of the Project are £1,195,000.

Anturas Limited

- 4.12 Due to the extensive knowledge of the Project, the Council's process and procedures and a wide range of knowledge and expertise of similar light rail projects across the UK, it is considered to be in the Council's best interests to award the Project Director, Assurance Services and ad hoc stakeholder and communications management support to Anturas Limited through waiver under Standing Order 9 of the Contract Standing Orders.
- 4.13 Anturas Limited have been working on the Project since 2015 through a range of direct appointments and latterly a sub-consultancy agreement with Turner and Townsend Limited. To date they have provided support on each element of the Scope of Services, though the stakeholder and communications management requirement has been reduced through the appointment of an internal stakeholder and communications manager.
- 4.14 The scope of services is:
- 4.14.1 Provision of Project Director;
 - 4.14.2 Assurance management required under the Railways and Other Guided Transport Systems (Safety) Regulations 2006; and
 - 4.14.3 Support to stakeholder and communications management as required.
- 4.15 The costs associated with the construction and commissioning phase of the Project are £776,337.

Scottish Water

- 4.16 Input to the project from Scottish Water is required to review, comment on and sign off design of diversionary routes, and to allow them to monitor the works as they progress to protect their assets and so that they can adopt them at completion. Where diversionary works are required during the construction phase, there will be resource from Scottish Water to enable access to their assets as well as managing potential service shut-offs. Their estimate for this support is £2,656,348.
- 4.17 The above estimate is inclusive of £820,000 risk allocation which Scottish Water will hold for the duration of the project, drawing down on this sum of money as required

in agreement with the Project Manager. It should be noted that, in the scenario where the risk allocation and/or the full resource estimate is not required to deliver the project, the balance will be returned to the Council on completion of the project.

- 4.18 The Contract Standing Orders require approval of committee to let a works contract in a sum in excess of £2million.
- 4.19 There are no procurement implications for this appointment as Scottish Water have exclusive use of the network, are a statutory utility and are exempt from procurement regulations.

5. Next Steps

- 5.1 Subject to Committee approval, Contracts will be put in place with Anturas Limited, Atkins Ltd and Turner and Townsend for ongoing support to delivery of the Project.
- 5.2 The Council successfully executes implementation of the programming methodology and progression of the works programmes.

6. Financial impact

- 6.1 The total value of the contracts is £8,770,337. These costs are accommodated within the Edinburgh Tram York Place to Newhaven Project budget.

7. Stakeholder/Community Impact

- 7.1 Community Benefits will be delivered by contractors on the project and aligned to the community benefits system developed for City Deal, with a points value applied to each contract which will be monitored and reported on an annual basis. The outcomes will include Employment and skills opportunities and community engagement activities.

8. Background reading/external references

- 8.1 Edinburgh Tram – York Place to Newhaven Final Business case. Referral from Transport and Environment Committee to [Full Council](#), 14 March 2019

9. Appendices

- 9.1 None.

This page is intentionally left blank

Finance and Resources Committee

10am, Thursday, 10 October 2019

National Care Home Contract – Outcome of Negotiations

Executive/routine
Wards
Council Commitments

1. Recommendations

The Finance and Resources Committee is asked to:

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

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

Contact: Moira Pringle, Chief Finance Officer

E-mail: moira.pringle@edinburgh.gov.uk | Tel: 0131 529 3659

National Care Home Contract – Outcome of Negotiations

2. Executive Summary

- 2.1 This report sets out the results of national negotiations led by COSLA to determine the National Care Home Contract (NCHC) terms and conditions for 2019/20. 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.
- 2.2 The headline settlement reached is an increase of 3.65% for Nursing care and 3.40% for Residential care from 8 April 2019 to 7 April 2020 in the rates payable to care homes for 2019/20. For the City of Edinburgh Council, this equates to an increase of £1.148m in costs in 2019/20, based on contract spend as at April 2019

3. Background

- 3.1 The rationale for developing a National Care Home Contract (NCHC) was to raise the quality of residential care for older people across Scotland and standardise the funding of placements
- 3.2 The NCHC has been signed by the owners of 42 private and voluntary sector care homes in Edinburgh. The remaining 10 homes, whose owners have chosen not to sign, primarily contract with people able to fund their own care and typically have little or no availability for Council funded service users.

4. Main report

- 4.1 This NCHC settlement is based on the previously agreed benchmarks for direct care costs in the NCHC Cost Model, which will be the mechanism for informing the national rate going forwards. Settlement negotiations were also used to deliver the commitment to pay the 2019/20 Scottish Living Wage rate of £9.00 per hour by 1st May 2019. The settlement also commits providers employing nurses and delivering publicly funded care to pay nursing staff agenda for change band 5.

- 4.2 The headline settlement reached and agreed at a meeting of Council Leaders held in April 2019 was an uplift of 3.65% for Nursing care and 3.40% for Residential care from 8 April 2019. All negotiating parties agreed that implementing the settlement and the Living Wage commitment is challenging and has required a substantive investment over the previous years. Partnerships and Councils are committed to monitoring the impact of this commitment closely and will therefore consider ways to support good quality individual providers who may face local sustainability issues.
- 4.3 All other aspects of the contract including quality payments remain unchanged. The settlement also commits Partnerships and Councils to progress on the reform of the NCHC during 2019/20 including continued work on the Cost Model.
- 4.4 There are four criteria for the various fee rates in 2019/20:

Nursing Care for Older People

	8 April 2019 – 7 April 2020
Fee level where National Care Home Contract (NCHC) is not signed	£662.14
NCHC fee level with reduced quality award	£694.90
NCHC fee level with the basic quality award	£714.90
NCHC fee level with basic and maximum Enhanced Quality Award	£717.90
Council spot purchase respite rate (NCHC rate, i.e. £714.90 / £717.90 plus up to a maximum 30%)	£933.27 (maximum)
Note: For all shared rooms: minus £25	

Residential Care for Older People

	8 April 2019 – 7 April 2020
Fee level where NCHC is not signed	£561.38
NCHC fee level with reduced quality award	£594.07
NCHC fee level with the basic quality award	£614.07
NCHC fee level with basic and maximum Enhanced Quality Award	£616.57

Council spot purchase respite rate (NCHC rate, i.e. £614.07 / £616.57, plus up to a maximum 30%)	£801.54 (maximum)
Note: For all shared rooms minus £25	

4.5 The Quality Inspection Framework is applied on the basis of the outcome of care home inspections. The Care Inspectorate will award a home one of 6 grades in respect of the following themes: how well do we support people’s wellbeing, how good is our leadership, how good is our staff team, how good is our setting, and how well is care and support planned.

Grade 1 = Unsatisfactory Grade 2 = Weak Grade 3 = Adequate
Grade 4 = Good Grade 5 = Very Good Grade 6 = Excellent

4.6 Where a home receives a grade of 3 or 4 it will receive the basic quality award.

4.7 To incentivise the provision of high quality care, nursing homes that receive a grade 5 or 6 in the quality of care and support theme and a minimum of grade 3 in all other areas will receive an additional £2 per week per resident (£1.50p in residential care homes). For both nursing and residential care homes, a further £1 per week per resident will be paid to homes that achieve a grade 5 or 6 for the quality of their care and support and a minimum of grade 5 in any one other category.

4.8 Where either a nursing or residential care home receives a grade of 1 or 2 in the themed area of quality of care and support, and where that care home has previously been graded at that level in that theme, £20 per week per resident will be deducted from the headline fee rate. In such an event, Council officers will make recommendations to the Chief Social Work Officer regarding the suspension of admissions to a care home while improvements are made or will recommend that service users be moved to alternative placements.

Edinburgh Context and Concession

4.9 One of the aims of the NCHC is to formalise the national agreement that third party contributions should not be required to meet the cost of delivering care to the standard required by the Care Inspectorate.

4.10 The City of Edinburgh Council made a concession to care home providers in 2007/8, on the inception of the NCHC, to allow care homes to continue charging third party contributions. There were (and continue to be) supply and demand issues in Edinburgh, which made implementation of the contract more difficult, and it was accepted the Council would take a pragmatic approach and focus on the spirit of the contract, rather than the letter. Some care homes make no additional charges. Where these are applied, they are subject to the agreement of a third party, usually a relative, who accepts responsibility for payment. On this basis, it is recommended that the Council and Edinburgh Health and Social Care Partnership continues with the concession for 2019/20.

- 4.11 At the inception of the National Care Home Contract in 2007/08 it was agreed that decisions on any reduction for shared rooms are a matter for local discretion but, where a reduction is to be made, CoSLA recommends a standard deduction of £25 per week. In Edinburgh we adopted this approach in recognition of the low number of shared rooms available. Less than 10% of private and third sector care homes currently offer shared rooms and therefore this arrangement only applies on an occasional basis.

Future of the NCHC

- 4.12 The development of the NCHC has largely overcome the variation and complexity in the contractual relationship between the individual, the provider and the local authority, of which the then Office of Fair Trading was particularly critical prior to the establishment of the NCHC. The national arrangements have also acted as a buffer locally, allowing local authorities and care homes to work on issues around service design and quality, without the distraction of fee negotiations. However, the 2019/20 settlement commits Partnerships and Councils to progress on the continuing reform of the NCHC during 2019/20 which includes continued work on the Cost Model.

5. Next Steps

- 5.1 The NCHC provides a consistent framework for the purchase of care home places for older people by the Council and Edinburgh Health and Social Care Partnership.

6. Financial impact

- 6.1 NCHC related costs will increase by £1.148m in 2019/20, based on spending on care home places for older people at April 2019.
- 6.2 Following agreement being reached on the NCHC settlement for 2019/20 the EIJB has agreed a contribution of £1.148m to City of Edinburgh Council to fund the agreed 3.65% and 3.40% uplift and issued directions to the Council in respect of renewal of the NCHC.

7. Stakeholder/Community Impact

- 7.1 National contract negotiations are led by COSLA on behalf of local authorities; and by Scottish Care and the Coalition of Care and Support Providers (CCPS) in Scotland on behalf of their members.
- 7.2 This report has been assessed as having a positive equalities impact to the extent it provides clarity for service users eligible to receive financial support and their family members with regards to care home funding arrangements.
- 7.3 There are no sustainability impacts arising directly from this report.

8. Background reading/external references

- 8.1 Commissioning of Social Care, Audit Scotland, 2012
- 8.2 Joint Strategic Commissioning Plan for Older People, 2013

9. Appendices

- 9.1 None.

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Electric Vehicle Programme: Enforcement and Tariffs

Executive/routine	Executive
Wards	All
Council Commitments	C18

1. Recommendations

- 1.1 Committee is asked to approve the enforcement and charging regime for the on-street electric vehicle programme and to note that this regime will also be applied to all Council off street sites.

Paul Lawrence

Executive Director of Place

Contact: Janice Pauwels, Sustainable Development Manager

E-mail: janice.pauwels@edinburgh.gov.uk | Tel: 0131 469 3804

Electric Vehicle Programme: Tariffs and Enforcement

2. Executive Summary

- 2.1 A new enforcement and charging regime is 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 has been developed and is detailed in the report along with proposed financial charges to apply to users of the EV charging network. Consideration is being given to the application of this new regime to existing off street electric vehicle charging where appropriate. Connection charges are also recommended to enable the programme to become self financing.

3. Background

- 3.1 The Council approved a Business Case for on-street electric vehicle (EV) chargers in [October 2018](#). This was followed by an implementation plan approved in [March 2019](#) for the installation of a mix of 66 fast and rapid EV chargers in 14 hubs across the city, providing access for EV users, primarily residents, with no off street parking.
- 3.2 The March report indicated that because the EV hubs would be operational 24 hours per day, an enforcement regime would be needed to ensure the proper use of the EV bays. In addition, the report highlighted that financial charges would also be needed but that further work would be required to assess the financial impact of these on the Business Case.
- 3.3 This report sets out both a proposed enforcement regime and the tariffs to be applied to both on- and off-street EV charging hubs.

4. Main report

- 4.1 Current work on the Council's plans for on-street EV charging is focussed on procuring a suitable contractor for the installation of the infrastructure. Once operational, this needs to be supported by robust policies and procedures to ensure appropriate controls are in place. A key outcome of the EV programme is that it becomes self-financing to cover future resourcing and maintenance costs.

Enforcement

- 4.2 The EV charging hubs will be operational 24 hours per day and will not be designated as parking bays but strictly for the charging of EVs. It will be important that EV users have confidence that bays will be used correctly and only by electric vehicles. Consequently a new enforcement policy has been developed by the Sustainability and Parking teams and is based on current parking enforcement practices.
- 4.3 Appendix 1 details the proposed enforcement regime. A key element will be the enforcement of exclusivity which will be carried out by the Council's traffic attendants who will ensure that only EV's will be able to use the charging bays. Under the new regime, any non-electric vehicle parking in an EV bay will incur an immediate fixed penalty notice and any EV occupying a charging bay but not charging will also incur a fixed penalty. Parking Attendants will know the locations of all hubs and be able to monitor their use.
- 4.4 ChargePlace Scotland (CPS) is the current contractor appointed by Transport Scotland to provide a "back office" function including management of all software and administrative functions that enable reporting of faults, collection of payment and collation of data. CPS has confirmed that they will be able to support the Council's enforcement policy by being able to monitor both maximum stay and no return periods. Upon nearing a maximum stay the driver will be alerted (by text or email) that they have 10 minutes of time left after which a fixed penalty will be applied directly to the drivers CPS account. The charges will be recovered to the Council via a recharge arrangement with CPS.
- 4.5 Table 1 below details the enforcement role of the Traffic Attendants and Charge Place Scotland along with the penalties that will be applied.

ROLE	ENFORCEMENT RESPONSIBILITY	PENALTY
Council Traffic Attendants	Ensuring that only EVs are using charging bays.	£60.00 fixed penalty reduced to £30 if paid within 14 days. If paid after 28 days the fine increases to £90.
Council Traffic Attendants	Checking that EVs are actually plugged into charging bays and not just using a bay for parking.	SAME penalty as above.
Charge Place Scotland	Responsible for monitoring the maximum stay period	A £30.00 charge for overstaying the maximum stay period (after a 10 min period of grace)

Table 1: Summary of Enforcement Roles and Penalties

- 4.6 New maximum stay and no return periods will also be introduced to ensure that charging bays are available as much as possible. Penalties will be applied to any

EV user who stays in the charging bay past the maximum stay period. Table 2 below summarises the proposed new procedures.

Charger Type	Main User(s)	Max Stay	No Return Period
Slow (7kW)	Commuters/Visitors	10 hrs	N/A (Note: Ingliston Park and Ride no access between 02:00 – 04:00am)
Fast (22kW)	Residents	3 hrs	4 hrs
Rapid (50kW)	Taxi/Private Hire and General Use	30 mins	4 hrs

Table 2: Proposed Maximum Stay and No Return Periods by Charger Type

- 4.7 Different criteria will be applied to different EV chargers. For example long maximum stays (10 hours) will apply to slow chargers such as those at the park and ride sites as these take around 8 hours to fully charge. This potentially allows two cars to charge within a 24 hour period if required. In contrast, the much shorter maximum stay periods are applied to rapid chargers, where these vehicles can take around 30 minutes for a charge enabling a more “topping -up” approach. Quicker turn-around times here can ensure maximum use of these charging bays throughout the day.
- 4.8 Other elements of the enforcement regime include the need for Traffic Regulation Orders (TROs) allowing the Council to designate part of the carriageway for use by a certain group of vehicles. TROs support the enforcement of issuing penalty notices to those who park in contravention of the regulations.

Connection Charges and Tariffs

- 4.9 Currently EV users have been able to charge their vehicles for free even although the use of these charges incurs a number of fixed and variable costs. This has been a policy decision by Scottish Government to encourage the uptake of this technology to support targets for the reduction of carbon emissions and combat climate change. It has also been a condition of the grants from Transport Scotland to make charging sites free and publicly accessible. To date the costs have been small and councils in Scotland have been able to absorb these.
- 4.10 However as more EV charging units are being installed it is not feasible to continue to provide free electricity especially also as energy costs continually increase. Transport Scotland has proposed criteria for local authorities to introduce tariffs for publicly accessible charging infrastructure and recommended that a per kilowatt hour (KWh) charge is preferable and that this should not exceed 20p/KWh.
- 4.11 There are also other costs in addition to the cost of the electricity. This includes resourcing of the programme, maintenance costs to support the network and deal with repairs and upgrades, and costs for a back-office function including fault reporting, usage data and charging information. The Business Case [report](#) in October 2018 proposed a standard tariff to cover the cost of electricity and also a

number of connection charges (varying with charger type) to cover other associated costs. These original costs are detailed in Table 3 below.

Charger Type	Per kWh charge (£)	Connection fee
Slow (7kW) (P&R)	0.20p	£2.00
Fast (22kW)	0.20p	0.30p
Rapid (50kW)	0.20p	£1.00

Table 3: Tariff and Connection Charges Proposed in Original EV Business Case

- 4.12 During consultation, feedback from EVAS¹ suggested that a tariff for rapid chargers might be a pence *per minute* rather than per KW. They and taxi associations also suggested that connection charges might act as a deterrent to users. It was felt important to take the views of users into account and to assess the impact of changing the tariff for rapid chargers and removing the connection charges.
- 4.13 Consequently, the Energy Savings Trust (EST) was asked to carry out further investigations and run a number of scenarios on the financial modelling. The outcomes of these are seen in Appendix 2. The modelling demonstrated that a charge per KWh was the most appropriate and practical charge. However the modelling showed that the removal of the connection charges would have a detrimental impact on the revenue stream such that the project would not be financially viable. This impact is seen in Figure 2 of the Appendix showing the scheme running at nearly a £0.1m loss per annum with the removal of the connection charges.
- 4.14 The concept of connection charges as a deterrent is understood. However even with the application of these, the costs associated with EV charging will be far cheaper at around 9-12p per mile in comparison to a non EV car having to use petrol or diesel fuels at a cost of 15-16p per mile. The Energy Savings Trust also modelled costs for the KWh and the connection charges. Based on average charging sessions, the costs to an EV user for the different types of chargers was as follows:
- 4.14.1 For a rapid charge (11kWh of charge at 30 minutes) £3.22
 - 4.14.2 For a fast charge (9.8 KWh of charge at 3 hours) £2.26
 - 4.14.3 For a slow charge (9.6KWh of charge at 8 hours) £3.92.
- 4.15 Currently, there is no standardisation of charging tariffs across Scotland. The Council is aware of a few other local authorities that have introduced charging but these are very variable. For example, Moray Council is charging a flat fee of £3.80

¹ EVAS: The Electric Vehicle Association of Scotland

for each charging session irrespective of charge type while Orkney and Dumfries and Galloway Councils are charging 25p per kWh as a flat rate. The Council is also aware of a private developer in Edinburgh proposing to charge a flat rate of £10 *per hour* irrespective of the type of charger or how long the charging time.

- 4.16 Consequently, the original tariffs as seen in Table 3 and developed by the Energy Savings Trust (EST) are proposed for the Edinburgh on-street EV programme. In developing these charges EST was asked to look at other council charges, ongoing costs, usage levels, guidance from Transport Scotland and the use of restriction times. All of these factors have been considered in the proposed tariffs and assessed to maximise the potential revenue to the Council. The proposed charges are considered affordable and striking a balance between cost and time limits as well as generating revenue. They will on average be much cheaper than current petrol or diesel charges. As shown in Figure 1 (Appendix 2) these rates will also generate a reasonable level of revenue (nearly £0.09m) per annum that will allow the Council to cover maintenance costs and upgrades to the network. Any surplus that might be generated will be reinvested back into future expansion of the network.
- 4.17 The introduction of EV charging is a new policy area for many councils. Therefore it is important that these procedures and charges are kept under review to assess any adverse impacts. There are two variables that the Council can change if necessary – the pence per kWh charge and the connection charge. The first review will be six months from the date of approval and then a further review six months later. Any proposed changes to financial charging and tariffs will be reported back to Committee for approval.
- 4.18 The Council also has a number of off street sites including those at community centres and leisure facilities. It is proposed that the Council takes on the management of these including the ongoing maintenance. Therefore the new charging and enforcement regime detailed in this report will also need to apply to all Council off street locations.

5. Next Steps

- 5.1 The new enforcement and charging regime will be incorporated into the procurement specification for the on-street EV programme. For the off street sites notice will need to be given to EV users that new charging and enforcement procedures will be coming into operation. It is recommended that a period of 4 weeks' notice is given from the date of Committee approval if given.

6. Financial impact

- 6.1 The installation of new on-street EV charging requires new enforcement procedures along with the introduction of financial charges to cover costs and ongoing

maintenance and back office functions. A flat connection charge is proposed which will vary dependent on the type of charger.

- 6.2 These costs are detailed in the report and as detailed in paragraphs 4.14-4.16 will generate a level of revenue of over £0.09m per annum.

7. Stakeholder/Community Impact

- 7.1 Consultation has already been carried out on the EV Business Case. Organisations such as EVAS had already been consulted with in the development of the tariffs and proposed enforcement procedures. While their view was that introducing fees such as connection charge might be a deterrent, they have accepted that charges will be introduced by local authorities.
- 7.2 The delivery of EV on street charging will have a range of benefits particularly on carbon reduction and air quality. Compared to conventional cars, EVs emit substantially less carbon emissions thus contributing positively to the Council SEAP and carbon targets. The vehicles are also cleaner with far less exhaust emissions so delivering direct air quality improvements.

8. Background reading/external references

- 8.1 4 October 2018 [Report](#) for Transport and Environment Committee: EV Business Case
- 8.2 5 March 2019 [Report](#) for Transport and Environment Committee: EV Implementation Plan

9. Appendices

- 9.1 Appendix 1 - Electric Vehicles Enforcement and Charging Regime
- 9.2 Appendix 2 - Financial Scenarios Run by the Energy Savings Trust

Introduction

The Council is pursuing the installation of on-street electric vehicle (EV) charging places. The first phase proposes the installation of a mix of 66 rapid and fast charging bays in 14 hub locations operating 24 hours a day, seven days a week. In addition there is also existing off-street EV charging across a number of locations in the city. Currently any charging using the existing sites has been free with no payment needed for the electricity used. Transport Scotland has acknowledged that local authorities will need to introduce financial tariffs as the market in EVs matures and more vehicles are registered.

To support the ongoing programme of work a new enforcement regime is needed that will apply *where appropriate* to **both** on and off-street charging. Using similar approaches to parking restrictions and penalties, this document sets out new procedures and charges for EVs to ensure appropriate use and turnover of charging bay.

Enforcement Requirements

1. Exclusivity

There will be no parking costs associated with using the charging bays. However, the charging bays are not intended to provide unrestricted parking within Controlled Parking Zones (CPZ). **Only EVs will be permitted to use charging bays and only when they are plugged in and charging.**

2. Road Markings and Traffic Regulation Orders

The introduction of the EV charging bays requires the promotion of a Traffic Regulation Order (TRO). This process allows the Council to designate part of the carriageway for use by a certain group and importantly for enforcement, allows the issuing of penalty tickets to those who park in contravention of the regulations.

To ensure the TRO is properly enforced, **each parking hub will require; bay markings, road legend(s) and appropriate signage.** An example is shown below:



Some considerations for the road markings include:

- New signs may need to be designed to indicate the relevant restrictions to motorists.
- New signs may add to street clutter, but efforts will be made to combine with necessary charging infrastructure or attaching to existing walls/fences.

3. Maximum Stay and No Return Periods

Maximum stay and no return periods will apply at EV charging places to provide for as high a turnover of vehicles as possible and to ensure EV drivers have access to suitable charging facilities when most needed. The use of maximum stay and overstay penalties will be important to ensure this accessibility. An example of a stay period restriction from the City of Westminster Council is shown below.



For Edinburgh the maximum stay and no return periods are detailed in Table 1 below. The intention is to maximise the use of the rapid chargers by only having a 30 minute stay period. On average this would still provide the EV with a good charge of 70-80% (on a near zero or low battery charge). Longer periods for slow chargers i.e park and ride sites could allow two cars to charge in a 24 hour period.

Charger Type	Main User(s)	Max Stay	No Return Period
Slow (7kW)	Commuters/Visitors	10 hrs	N/A (Ingliston no access between 02:00 – 04:00)
Fast (22kW)	Residents	3 hrs	4 hrs
Rapid (50kW)	Taxi/Private Hire and General Use	30 mins	4 hrs

Table 1: Proposed Maximum Stay and No Return Periods by Charger Type

For **residential zones** there will be **no** maximum stay applied for **fast chargers only** between the hours of 2200 and 0800 Monday to Sunday.

Maximum stay periods however **will** still be in force for **rapid chargers** to ensure maximum availability.

In some locations, both AC and DC Fast units will be introduced to cater for all EVs – as some vehicles require different charging infrastructure. However while charge times can vary, the longer max stay period **will** apply to all spaces to ensure a consistent approach at each charging place.

4. Back Office Function

Charge Place Scotland (CPS) is the current contractor appointed by Transport Scotland to provide a “back office function” for EVs nationally. This includes monitoring usage of chargers, dealing with faults, promoting free and/or available charging spaces and providing information on a monthly basis via CPS software to the Council. **CPS has agreed to provide an enforcement function for the Council by monitoring the length of time that each EV will stay in a charging space.** Upon nearing the maximum stay, the driver will be alerted that they have 10 minutes of time remaining (sent as a text/email) after which a fixed penalty will be applied if they don't comply with the maximum time restriction. This fixed penalty will be applied to the card holders account (all EV users need to register an account with Charge Place Scotland to use the bays).

The back office function also needs to automatically enforce the no return period, by recognising when a vehicle has completed a charge to prevent it from disconnecting and restarting to gain another charge period.

5. Penalty Tickets

It is proposed to use similar parking enforcement procedures for EVs such as the use of fixed penalty tickets.

Parking Attendants who observe a vehicle which is **not an EV** will issue an instant penalty ticket to that vehicle.

Parking Attendants who observe an EV waiting in the charging place that is **not plugged in or charging** will issue an instant penalty ticket to the vehicle.

Note: a charging cable cannot be removed from the vehicle unless the appropriate key card holder has stopped charging. Therefore, if a cable has been removed this may be due to vandalism. Similar to current procedure, a penalty ticket will still be issued, but if challenged and further evidence is received, the Council can review this.

Should an EV **not park considerably** within the bay markings or park between charging bays, which may prevent another EV using the place, then an instant penalty ticket will also be issued.

6. Removals

Electric vehicles will **only** be physically removed in the unlikely event of an emergency i.e. a gas/water leak or at the request of Police Scotland/Paramedics. Any connecting cables will be removed and the cost of replacement can be sought from the Council.

Out with the hours specified above, **EVs can park** for an unlimited period overnight and in some locations at weekends. This will reduce the enforcement burden and allow motorists to charge overnight without moving their vehicle. This will be kept under review especially if use increases and there is pressure on charging bays.

Summary of Enforcement Roles and Penalties

These are seen in Table 2 below:

ROLE	ENFORCEMENT RESPONSIBILITY	PENALTY
Council Traffic Attendants	Ensuring that only EVs are using charging bays.	£60.00 fixed penalty reduced to £30 if paid within 14 days. If paid after 28 days the fine increases to £90.
Council Traffic Attendants	Checking that EVs are actually plugged into charging bays and not just using a bay for parking.	SAME penalty as above.
Charge Place Scotland	Responsible for monitoring the maximum stay period	A £30.00 charge for overstaying the maximum stay period (after a 10 min period of grace)

Table 2: Summary of Enforcement Roles and Penalties

Financial Tariffs

The introduction of on street EV charging incurs a range of fixed and variable costs including the cost of the electricity consumed, service costs payable to Scottish Power, maintenance, resources and costs of the back-office function. In particular, the service costs or DUoS (Distribution use of service costs) payable to Scottish Power can be considerable for high energy demand infrastructure.

Transport Scotland has published advice on charging fees for local authorities with a recommended tariff not to exceed 20p per Kilowatt hour (KWh) of electricity. The Council EV Business Case proposed that charging would be necessary to create a self- financing programme going forward.

The charging costs are detailed in Table 3 below. The tariff cost per KWh covers the cost of the electricity, However connection charges are also proposed to cover all other associated costs. In terms of the financial viability of the programme going forward , it would not be viable to remove the connection charges without increasing the fee per KWh to offset the impact. The connection fees will vary according to the types of charger. For the slow chargers such as the park and ride sites where cars are liable to be sitting for over 7 hours a £2 connection fee is proposed. It is anticipated that users will not be paying this on a daily basis.

Charger Type	Per kWh charge (£)	Connection fee
Slow (7kW) (P&R)	0.20p	£2.00
Fast (22kW)	0.20p	£0.30

Rapid (50kW)	0.20p	£1.00
-----------------	-------	-------

Table 4: Proposed Charges and Tariffs

It is **not proposed** to charge motorists for **parking** time on top of connection fees and electricity costs.

Blue Badge Holders

The main aim of on-street EV charging places is to create a network of charging hubs around the city. Allowing blue badge users to park without time limit within the charging places may enable users to occupy such places indefinitely. This would restrict the turnover of spaces and charging opportunities for other users. Therefore, it is recommended that blue badge users are also subject to the maximum stay periods in EV charging places. Badge holders would still be expected to pay connection and electricity charges, as these are not related to parking costs.

Monitoring and Review

The introduction of EV charging is a new policy area for many councils. Therefore these procedures and charges will be kept under review to assess any adverse impacts. The first review will be six months from the date of approval and then a further review six months later. These will be reported to the EV Project Board. Any changes to financial charging and tariffs will be made through the appropriate Committee processes.

APPENDIX 2: Financial Scenarios run by Energy Savings Trust

Scenario 2A

Table 7 – Mixed Specification Hubs (50kW Rapid DC, 22kW Fast AC & 7kW Slow Park & Ride)

- Optimistic levels of use - 18 rapid sessions per charger, 6 fast sessions per charge point, 1 slow session per charge point (P&R), per 24hr period.
- 20p per kWh flat rate end user fee (all chargers).
- £1 connection charge all rapids, £0.30 fast and £2 slow (P&R).

Scenario	Hub Quantity	2020			2023																
		50kW DC	22kW DC (P&R 7kW)	Total Quantity (Charge Units)	Capital Costs	Annual OpEx	Use of System Costs (of which)	Annual Revenue	Annual Surplus	RoI (years)	Hub Quantity	50kW DC	22kW DC (P&R 7kW)	Total Quantity (Charge Units)	Capital Costs	Annual OpEx	Use of System Costs (of which)	Annual Revenue	Annual Surplus	RoI (years)	
Residents (Zone 2)	High	10 1	1 0	3 2	42	752,000	482,223	100,806	528,053	45,830	16	24	2	6	192	3,000,000	2,165,726	417,657	2,439,625	273,899	11
	Mid	8 1	1 0	3 3	35	617,000	399,475	83,395	436,301	36,826	17	13 1	2 2	6 5	111	1,742,500	1,253,922	241,982	1,413,216	159,294	11
	Low	8 1	1 0	3 2	34	606,000	389,743	81,479	426,402	36,659	17	9 1	2 2	6 4	78	1,235,000	883,550	170,721	996,713	113,163	11
Taxi, Private Hire & General Use	High	3 1	3 4	0 0	13	520,000	218,351	47,867	274,679	56,327	9	10	4	0	40	1,600,000	671,023	146,501	845,165	174,142	9
	Mid	1 3	3 2	0 0	9	360,000	151,607	33,556	192,291	40,683	9	5 1	4 3	0 0	23	920,000	385,928	84,323	485,970	100,042	9
	Low	1 3	3 2	0 0	9	360,000	151,607	33,556	190,162	38,555	9	3 1	3 4	0 0	13	520,000	218,351	47,867	274,679	56,327	9
Park & Ride	High	1 1	0 0	11 13	36	270,000	91,279	14,889	104,069	12,789	21	3	0	49	147	1,102,500	369,410	57,664	424,948	55,538	20
	Mid	1 1	0 0	12 13	25	187,500	63,359	10,312	72,270	8,911	21	2 1	0 0	25 27	77	577,500	194,012	260,063	222,592	28,579	20
	Low	2	0	11	22	165,000	55,842	9,156	63,598	7,756	21	3	0	19	57	427,500	143,899	22,982	164,776	20,877	20
Totals	High	18	23	68	91	1,542,000	791,854	163,563	906,800	114,947	13	37	88	291	379	5,702,500	3,206,159	621,823	3,709,737	503,579	11
	Mid	15	17	52	69	1,164,500	614,441	127,262	700,861	86,421	13	23	51	160	211	3,240,000	1,833,862	586,368	2,121,777	287,915	11
	Low	15	17	48	65	1,131,000	597,192	124,190	680,161	82,970	14	17	33	115	148	2,182,500	1,245,800	241,570	1,436,167	190,367	11

Figure 1: Costs for Mixed Specification Hubs for 2020 and 2023 WITH Connection Charges

Scenario 2B

Table 7 – Mixed Specification Hubs (50kW Rapid DC, 22kW Fast AC & 7kW Slow Park & Ride)

- Optimistic levels of use - 18 rapid sessions per charger, 6 fast sessions per charge point, 1 slow session per charge point (P&R), per 24hr period.
- 20p per kWh flat rate end user fee (all chargers).
- No connection fees.

Scenario	Hub Quantity	2020			2023																
		50kW DC	22kW DC (P&R 7kW)	Total Quantity (Charge Units)	Capital Costs	Annual OpEx	Use of System Costs (of which)	Annual Revenue	Annual Surplus	RoI (years)	Hub Quantity	50kW DC	22kW DC (P&R 7kW)	Total Quantity (Charge Units)	Capital Costs	Annual OpEx	Use of System Costs (of which)	Annual Revenue	Annual Surplus	RoI (years)	
Residents (Zone 2)	High	10 1	1 0	3 2	42	752,000	477,428	100,806	420,305	-57,123	-	24	2	6	192	3,504,000	2,188,470	455,721	1,935,049	-253,421	-
	Mid	8 1	1 0	3 3	35	617,000	395,557	83,395	348,263	-47,294	-	13 1	2 2	6 5	111	2,033,000	1,266,934	263,922	1,120,194	-146,740	-
	Low	8 1	1 0	3 2	34	606,000	385,884	81,479	339,678	-46,206	-	9 1	2 2	6 4	78	1,438,000	892,515	186,053	789,101	-103,415	-
Taxi, Private Hire & General Use	High	3 1	3 4	0 0	13	520,000	214,551	47,867	189,269	-25,282	-	10	4	0	40	1,600,000	659,329	146,501	582,365	-76,964	-
	Mid	1 3	3 2	0 0	9	360,000	148,976	33,556	131,032	-17,944	-	5 1	4 3	0 0	23	920,000	379,204	84,323	334,860	-44,344	-
	Low	1 3	3 2	0 0	9	360,000	148,976	33,556	131,032	-17,944	-	3 1	3 4	0 0	13	520,000	214,551	47,867	189,269	-25,282	-
Park & Ride	High	1 1	0 0	11 13	36	270,000	88,941	14,889	51,509	-37,432	-	3	0	49	147	1,102,500	359,859	57,664	210,328	-149,531	-
	Mid	1 1	0 0	12 13	25	187,500	61,734	10,312	35,770	-25,964	-	2 1	0 0	25 27	77	577,500	189,010	260,063	110,172	-78,838	-
	Low	2	0	11	22	165,000	54,412	9,156	31,478	-22,935	-	3	0	19	57	427,500	140,195	22,982	81,556	-58,640	-
Totals	High	18	23	68	91	1,542,000	780,919	163,563	661,082	-119,837	Loss	37	88	291	379	6,206,500	3,207,657	659,887	2,727,741	-479,916	Loss
	Mid	15	17	52	69	1,164,500	606,267	127,262	515,065	-91,203	Loss	23	51	160	211	3,530,500	1,835,147	608,308	1,565,225	-269,922	Loss
	Low	15	17	48	65	1,131,000	589,272	124,190	502,187	-87,084	Loss	17	33	115	148	2,385,500	1,247,261	256,902	1,059,925	-187,336	Loss

Figure 2: Costs for Mixed Specification Hubs for 2020 and 2023 WITHOUT Connection Charges

This page is intentionally left blank

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Summary Report on Property Transactions concluded under Delegated Authority

Executive/routine	Routine
Wards	All
Council Commitments	2,10

1. Recommendations

- 1.1 The Committee is recommended to note the 15 transactions detailed in the attached appendix which been concluded in terms of the Council's 'Scheme of Delegation to Officers.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager,

Property and Facilities Management Division, Resources Directorate

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Summary Report on Property Transactions concluded under Delegated Authority

2. Executive Summary

- 2.1 To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.
- 2.2 This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions outwith these parameters are reported separately to Committee.

3. Background

- 3.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the relevant Executive Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

4. Main report

- 4.1 Appendix 1 provides details of 16 transactions completed under delegated authority since the last quarterly report. Leased properties which have been vacant for more than 6 months are shown at a previous rent of zero.
- 4.2 The financial benefit to the Council of these transactions is summarised below:
 - 3 new leases producing an additional £46,416 per annum;
 - 3 lease renewal/extensions producing an additional £9,950 per annum;
 - 7 rent reviews producing an increase of £37,600 per annum;
 - 2 disposals producing a capital receipt of £730,116.

5. Next Steps

- 5.1 The report sets out transactions which have been completed, under delegated authority, since the Finance and Resources Committee on 23 May 2019. There are no further steps in relation to these transactions.

6. Financial impact

- 6.1 The financial impact of the transactions noted are set out above.

7. Stakeholder/Community Impact

- 7.1 Not applicable.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1 – Schedule of Property Transactions

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. RV-U04 AM	Ward 3 – Drumbrae/ Gyle	General Property	Suite 4, Ratho Park Phase 1 EH28 8PP	Emtec Building Services Ltd	Office	Old Rent: £0 per annum New Rent: £18,016 per annum Lease Period: 12/07/2019 to 11/7/2024 Payable: Quarterly in advance
REMARKS: New open market letting.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20 PEF01/U07 AM	Ward 17 – Portobello/ Craigmillar	General Property	Block 3 Unit 4 Peffermill Industrial Estate, King's Haugh EH16 5UY	Duck Egg Blue Management Ltd	Warehouse	Old Rent: £14,700 per annum New Rent: £ 17,600 per annum Lease Period: 18/04/19 to 17/04/24 Payable: Quarterly in advance
REMARKS: New open market letting following a closing date.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. PEF01/U10 AM	Ward 17 – Portobello/ Craigmillar	General Property	Block 4 Unit 3/4 Peffermill Industrial Estate, King's Haugh EH16 5UY	Director of Safer & Stronger Communities	Warehouse	Old Rent: £0.00 per annum New Rent: £25,500 per annum Lease Period: 01/05/19 to 30/4/2024 Payable: Quarterly in advance
REMARKS: New letting to internal department. Existing lease within another CEC Estate brought to an end and being marketed.						

LEASE RENEWALS/EXTENTIONS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. 6335/1. IL	11 – City Centre	General Property	187 Canongate, Edinburgh, EH8 8BN	Luckwinder & Ratan Singh	Retail Class 1	Old Rent: £22,000 per annum New Rent: £25,000 per annum From: 01/04/19 to 31/04/24 Payable: Monthly in Advance

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. 17368/4 IL	17 – Portobello/ Craigmillar	General Property	Unit 4 Peffer Place Business Centre, Edinburgh, EH16 4UZ	Delta Distribution Ltd	Industrial / Business Class 4	Old Rent: £8,500 per annum New Rent: £9,200 per annum From: 04/04/19 to /04/7/24 Payable: Monthly in Advance

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. 16274/6A IL	11 – City Centre	General Property	371 High Street, Edinburgh, EH1 1PW	The Edinburgh Woollen Mill Limited	Retail Class 1	Old Rent: £97,750 per annum New Rent: £104,000 per annum From: 22/12/18 to 22/12/23. Payable: Monthly in advance.
REMARKS:						

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. CLO-U04 IL	3 – Drumbrae/ Gyle	General Property	Clocktower, Unit 4/5 Flassches Yard, Edinburgh, EH12 9LB	THUS Plc	Business Use Class 4/5	Old Rent: £53,750 per annum New Rent: £54,500 per annum From: 01/09/17 to 31/08/22. Payable: Quarterly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. CLO-U03 IL	3 – Drumbrae/ Gyle	General Property	Clocktower, Unit 3 Flassches Yard, Edinburgh, EH12 9LB	NTL National Networks Limited	Business Use Class 4/5	Old Rent: £55,600 per annum New Rent: £58,650 per annum From: 01/03/19 to 28/02/24. Payable: Quarterly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. SGC-U04 IL	3 – Drumbrae/ Gyle	General Property	10 South Gyle Crescent, Edinburgh, EH12 9EB	The Scottish Ministers	Ground Lease Constructed on the subject is offices and associated car parking	Old Rent: £68,850 per annum New Rent: £77,600 per annum From: 28/05/19 to 27/05/24. Payable: Quarterly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11 Page 235	4 – Forth	General Property	Units 18/19 West Harbour Road, Edinburgh, EH5 1PN	Powderhall Bronze Ltd	Industrial Class 4	Old Rent: £36,000 per annum New Rent: £40,000 per annum From: 04/04/19 to 03/04/24. Payable: Monthly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. 1544/4 IL	10 – Meadows/ Morningside	General Property	14 Lochrin Place, Edinburgh, EH3 9QY	Mrs Annie J Munro	Retail Class 1	Old Rent: £10,900 per annum New Rent: £11,800 per annum From: 01/03/19 to 28/02/24. Payable: Monthly in advance.
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. 7066/D3 MB	11 – City Centre	General Property	Unit 2, Assembly Rooms, 54 George Street, Edinburgh, EH2 2LR	L'Oreal (UK) Limited	Retail Class 1	Old Rent: £92,500 per annum New Rent: £111,250 per annum From: 06/06/18 to 05/06/22. Payable: Quarterly in advance.

REMARKS: £18,750 per annum uplift. Third party determination based on £175 per sq ft. Zone A on Reduced Floor Area of 978 sq ft less 35% end allowances.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. 8671A	13 – Leith	General Property	77 Shore, Edinburgh, EH6 6RG	Mr & Mrs Erodgan Bayraktar	Retail Class 1	Old Rent: £9,900 per annum New Rent: £11,300 per annum From: 01/07/19 to 30/06/24. Payable: Quarterly in advance.

REMARKS:

DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
15. FM	Midlothian	General Property	Cockburn Cottage Penicuik EH26 8PP	Emma Louise Drye	Residential House	Net Purchase price: £130,116 Date of sale: 23/08/2019

REMARKS: Former tied house attached to Wellington residential school.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
16 Page 23	17 – Portobello/ Craigmillar	General Property	Pittville Street Lane, Portobello EH15 2BN	Andrew Clarke	Residential/ Commercial Conversion	Net Purchase price: £600,000 Date of sale: 27/07/2019

REMARKS: Former laundry room sold following open marketing

Finance and Resources Committee

10.00am. Thursday, 10 October 2019

The Wood Centre, 100 Westburn Gardens – Proposed Disposal

Executive/routine	Routine
Wards	2- Pentland Hills
Council Commitments	10

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves 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 this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

Property and Facilities Management Division, Resources Directorate

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

The Wood Centre, 100 Westburn Gardens – Proposed Disposal

2. Executive Summary

- 2.1 As part of the rationalisation of the Council's operational estate, the Wood Centre at 100 Westburn Gardens has been vacated.
- 2.2 Prospect Community Housing Limited own the adjoining land and has made an approach to the Council to purchase the property to undertake an affordable housing development.
- 2.3 This report seeks approval to dispose of the property to Prospect Community Housing Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 A key element of the Asset Management Strategy (AMS) approved at Finance and Resources Committee on 24 September 2015 is to create a fit for purpose, right sized estate. To achieve this the Estate Rationalisation workstream seeks to identify buildings which could be released to reduce the size of the office estate.
- 3.2 One of the opportunities identified was The Wood Centre at 100 Westburn Gardens. The building is situated on a site which extends to approximately 0.32 hectares (0.80 acres) as shown outlined in red on the attached plan as appendix 1.
- 3.3 Releasing the building would support the AMS objectives by:
 - reducing the size of the estate;
 - creating savings in property running costs to apply against AMS Estate Rationalisation targets;
 - creating an opportunity for a capital receipt to apply against targets in the Investment Optimisation work stream; and
 - assist in improving the condition of the estate by releasing a capital receipt to be reinvested in the remaining estate.

- 3.4 The mail team which were in the Wood Centre have been relocated to Council owned premises at the Clocktower estate in South Gyle.

4. Main report

- 4.1 Prospect Community Housing Limited (Prospect) were established in 1988 with the aim of developing affordable housing in Wester Hailes. Prospect now own over 900 homes in the area consisting of a mix of new build and refurbished properties.
- 4.2 Prospect own the land immediately to the south of the Wood Centre and has approached the Council with an offer to purchase the property for an affordable housing development which will be social rent led.
- 4.3 Provisional terms have been agreed with Prospect as follows:
- Subjects: The Wood Centre, 100 Westburn Gardens;
 - Purchaser: Prospect Community Housing Limited;
 - Purchase Price: £375,000 inclusive of Council property costs and legal fees;
 - Conditions: Planning permission for residential development;
Prospect receiving Scottish Government Funding for the proposed development;
- 4.3 In order to reduce holding costs while Prospect take forward their planning application, the Council will proceed with the demolition of the property. Prospect will refund the cost of the demolition in addition to the purchase price.

5. Next Steps

- 5.1 If Committee approval is granted, the Council will seek to enter into the agreement to dispose of the property to Prospect in accordance with the terms and conditions outlined within this report.

6. Financial impact

- 6.1 The sale of the property will produce a receipt of £375,000, inclusive of costs, to the Housing Revenue Account.
- 6.2 The Council instructed Jones Lang LaSalle to provide an independent valuation of the property to ensure that the offer received from Platform represented best value. The valuation supports the purchase price.
- 6.3 Vacating the property has realised a revenue saving of £35,000 per annum.

7. Stakeholder/Community Impact

- 7.1 Ward elected members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 N/A.

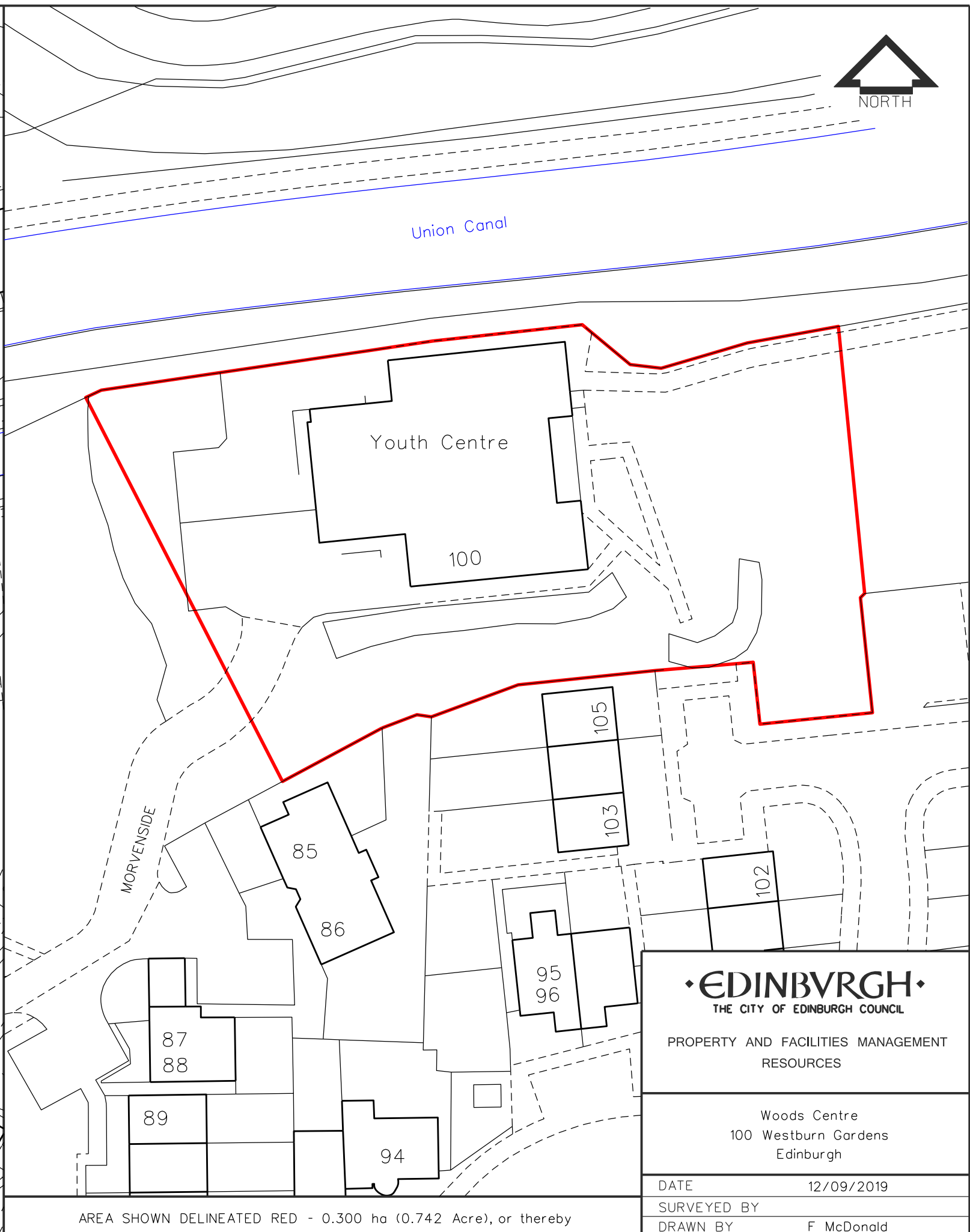
9. Appendices

- 9.1 Appendix 1 – Location Plan



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:500



• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
Woods Centre 100 Westburn Gardens Edinburgh	
DATE	12/09/2019
SURVEYED BY	
DRAWN BY	F McDonald
SCALE	As shown
PLAN. NO.	NT1970/A3/269 A

AREA SHOWN DELINEATED RED - 0.300 ha (0.742 Acre), or thereby

This page is intentionally left blank

Finance and Resources Committee

10.00a.m., Thursday, 10 October 2019

Proposed New Lease at Granton Castle Walled Garden

Executive/routine	Routine
Wards	4 – Forth
Council Commitments	C2, C3

1. Recommendations

- 1.1 That Committee approves a new lease of Granton Castle Walled Garden to Friends of Granton Castle Walled Garden, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Andrew McCurrach, Investment Officer,

Property and Facilities Management Division, Resources Directorate

E-mail: andrew.mccurrach@edinburgh.gov.uk | Tel: (0131) 529 4682

Proposed New Lease at Granton Castle Walled Garden

2 Executive Summary

- 2.1 The Council owns the former Walled Garden situated on West Shore Road, shown outlined in red on the attached plan (Appendix 1). This garden forms part of the wider Granton Waterfront Regeneration which will see former industrial land transformed into a new vibrant coastal city quarter over the next 10 -15 years.
- 2.2 Discussions have taken place with the existing occupiers, Friends of Granton Castle Walled Garden (FOGCWG) to grant a new lease, in order that the increased lease term would enable the group to apply for additional funding.
- 2.3 This report seeks approval to grant a new 20-year lease to Friends of Granton Castle Walled Garden on the terms and conditions outlined in the report.

3 Background

- 3.1 Granton Castle Walled Garden came into the ownership of the Council as part of the EDI Group purchase in May 2018. The site forms part of the Granton Waterfront which is identified as a Strategic Development Area in the adopted Edinburgh Local Development Plan. The Walled Garden itself is enclosed by a listed wall and this area is not scheduled for development. The Walled Garden is currently occupied by Friends of Granton Castle Walled Garden who are a Scottish Charitable Incorporated Organisation. They are locally controlled, with membership eligibility to the local community and from individuals with an interest in the garden. The current board has a good mix of local people, with an interest in the garden from various perspectives – growing food, heritage, community development, regeneration and health. They currently operate on an annual licence, which has since reverted to rolling month to month lease term.
- 3.2 Under the terms of the current licence agreement, many repairing obligations remained with landlord and as such, now fall on the Council. A new lease would transfer these obligations to the occupiers.
- 3.3 Discussions with the prospective leaseholder has encouraged community engagement, in line with the Council's wider redevelopment proposals for the Granton foreshore area.

4 Main report

- 4.1 Collective Architecture were appointed by the Council in September 2018 to lead a multi-disciplinary team to prepare a development framework for Granton Waterfront. The Development Framework is built on key principles which have been developed through extensive consultation with the community and other key stakeholders to ensure a place-based approach to delivery. The Development Framework will be presented to Planning committee for approval as non-statutory planning guidance in December 2019.
- 4.2 Alongside fulfilling many of the key design principles, the walled garden provides place based learning which helps to support the wider working objectives outlined in the emerging learning strategy for Granton. These expand on the vision for the area and help to harness deliverable outcomes from the regeneration:
- 4.2.1 Reduce inequality by enhancing access to services;
- 4.2.2 Support social inclusion by creating enhanced access to lifelong activity and learning, enabling access to public buildings, parks, greenspace and growing area;
- 4.2.3 Increase entrepreneurial and social innovation capacities and strengthen lifelong learning opportunities by supporting growth sectors.
- 4.3 This proposed new lease would provide additional amenities to local residents, attract visitors to the area and help preserve a historic medieval site for now and future generations.
- 4.4 The following terms have been provisionally agreed:
- Subjects: Granton Castle Walled Garden, West Shore Road, Edinburgh;
 - Lease Term: 20-year term;
 - Break options: A tenant break option will be available if major funding applications are rejected. A landlord break option will be available if it is deemed that the tenants have not fulfilled the objectives outlined within their Business Plan (see Appendix 2);
 - Stepped Rent: £1.00 (if asked);
 - Repairs: Tenant Repairing and Insuring;
 - Tenant Works: To bring the Walled Garden back into community use and repair / maintain all listed structures which form part of this site;
 - Landlord Works: Nil;
 - Costs: Each party to meet their own costs;

- Other terms: As contained in standard commercial lease.

4.5 This site has been identified in the upcoming Granton Waterfront Development Framework as community greenspace and the proposed use is considered a key asset in the overall vision.

5 Next Steps

- 5.1 The Council will seek to enter into the lease with Friends of Granton Castle Walled Garden in accordance with the terms and conditions outlined within this report.
- 5.2 Key performance indicators will be put in place to ensure that the group are working towards the objectives they have set out in their 3 year business plan (Appendix 2). The KPI's will be reviewed annually with the group to ensure the KPI's align with the emerging vision for Granton Waterfront and the key principles of the Development Framework which will be presented to Planning Committee for approval in Dec 2019.

6 Financial impact

- 6.1 No income is being generated as part of this letting. However, all running costs and maintenance obligations associated with this site will be passed to the tenant, resulting in a revenue saving to the council.
- 6.2 The alternative use value for this site is limited due to planning and development constraints.

7 Stakeholder/Community Impact

- 7.1 Consultation with ward councillors, community and other key stakeholders has taken place over the past 12 months during the preparation of the Development Framework.
- 7.2 The proposal in this report to grant a lease on the site will have a positive impact on the community.
- 7.3 Granton Waterfront offers an excellent opportunity to deliver exemplar urban design through keeping the community and placemaking at its heart whilst spearheading climate emergency through imbedding sustainability, resilience and adaptability within all principles to help support the Council's aim of achieving net zero carbon by 2030. Retention of the historic walled garden is a key example of where this can be achieved through restoring an operational garden that will trial and grow a wide range of produce to build a sustainable local food system that will improve health and build community resilience.

- 7.4 The proposal in this report does not have any significant impact for equality, rights, economic, health and safety, governance, compliance or regulatory implications.

8 Background reading/external references

- 8.1 [Granton Waterfront Regeneration Update – Corporate Policy and Strategy - 14 May 2019](#)

9 Appendices

- 9.1 Appendix 1 – Location Plan
- 9.2 Appendix 2 – FG CWG Business Plan (June 2019)



Business Plan

Friends of Granton Castle Walled Garden

June 2019

Images by Community Enterprise, client and Ashley Erdman



Contents

About the Project 3

What We Want to Achieve 3

The History of Granton Castle Walled Garden 4

The Friends of Granton Castle Walled Garden 5

The Research We did 5

Summary of Findings 6

Services and Activities Under Themes..... 7

A Phased Approach to Site Development 9

The Difference we will Make10

Measuring Our Impact10

Funding and Finance11

Governance and Management13

Working in Partnership13

Marketing and Communications.....15

Appendix 1 : Cash flow projections.....18

Appendix 2 : Risk Analysis.....22

Appendix 3 : Research (see separate document) **Error! Bookmark not defined.**



About the Project

This has been a historic site since 1497. The Walled Garden was attached to Granton Castle, which was damaged and rebuilt in 1544, refurbished in the early 1600s and finally demolished in 1922. It was passed ultimately to the Edinburgh Corporation (and its associated organisations over the years). The walled garden was a productive market garden for many years but had fallen into dereliction and was forgotten by most. When a planning process started to build houses there, the local community was galvanised into action to save this site. A Friends Group was established and was successful and now hold a lease for this unique and beautiful space.

The Walled Garden provides a perfect connection between Edinburgh's coast and hinterland, and invaluable opportunities to join up the underused and potentially regreened shoreline of Granton with residential areas and establish a unique link between past, present and future local communities.

Importantly, the Garden has been identified as a historic garden in the Council's Survey of Gardens and Designed Landscapes and more recently has been Category B listed by Historic Environment Scotland.

The walled garden emerged as a significant part of the Granton Waterfront Regeneration Strategy within "Granton's Central Park". 90 of 150 respondents chose it as a priority and 108 mentioned 'Connect to coast' as a priority. The Walled Garden is a strategic part of the new development and acknowledged as a Council owned 'common good' property.

What We Want to Achieve

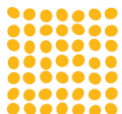
Over the past three years the Friends Group has engaged in discussions with a wide range of individuals and organisations to inform the following aims and objectives for the garden:

Overall aim - To create a thriving, sustainable and productive heritage gateway to the waterfront through a community-led approach that will be accessible to existing and new populations and will contribute to community integration and cohesion.

We will do this by:

1. Preserving an important part of Granton's built environment and heritage
2. Restoring an operational garden that will trial and grow a wide range of produce to build a sustainable local food system that will improve health and build community resilience
3. Providing opportunities for education, learning and skills development
4. Creating areas of peace and calm for spiritual reflection and mental wellbeing
5. Making the garden accessible to visitors and creating a venue to support cultural and arts activities including the restoration of a historic garden that has the potential to become a destination in the Edinburgh Waterfront attracting visitors from Scotland and further afield.

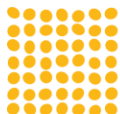
This business plan sets out our plans to realise that vision. To create the widest benefit, the community will need to gain control of the site with enough security of tenure to attract investment.



Saving Granton Castle Walled Garden

“a community campaign to save Granton Castle's 'forgotten' Garden”

The people of Granton used community activism and strategic partners, along with building a business plan while being active on site, to create a momentum that stopped the building of houses on the oldest walled garden in Edinburgh. It is now in community control and is flourishing.



The Friends of Granton Castle Walled Garden

The Friends of Granton Castle Walled is now a Scottish Charitable Incorporated Organisation (SC048884).

They are locally controlled with membership eligibility from the local community and from individuals with an interest in the garden. The current board has a good mix of local people and those with an interest in the garden from various perspectives – growing and food, heritage, community development and regeneration and health.

The group has managed to secure very small grants from Awards for All and the Mushroom Trust and has developed largely on small budgets and significant volumes of voluntary labour. This has encompassed gardening and site reclamation itself, but also publicity, marketing, visitor management and events.

A new footpath and door was installed by Waterfront Edinburgh Limited and a licence granted at the end of April 2017 to enable the community group to begin restoration work and allow visitors and volunteers inside the secret medieval garden for the first time in over a decade.

Support and advice has been secured from many agencies including the Royal Botanic Garden Edinburgh, Scotland's Garden and Landscape Heritage, Historic Environment Scotland, and the Community Land Advisory Service.

Initial work started at the centre of the historic garden. Gradually more people have found the secret garden and now over 60 individuals have volunteered to clear the ground and start growing with a particular focus on preparing the orchard.

The History branch of our group has been hard at work all year uncovering voices from the past as well as archaeological remains, bringing history vividly to life through the garden, most recently with help from Written in Film.

Various walks, visits, open days and events have continued through 2018 and 2019 often with large numbers of visitors sometimes as much as 300. Recently local walking groups such as Curious Edinburgh from the History Hub at Madelvic and the Pilton Walking Group from PCHP have visited the Garden.

The 'Hidden Gems' shoreline walk in the midsummer of 2017 showed real visitor interest from local residents. Later in the first autumn the group was asked to participate in a Doors Open Day with the Cockburn Association with sellout tours confirming the wider appeal to Edinburgh Residents. 17 volunteers including artists from Improvisation Collective supported the event

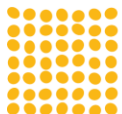
"I've only been once on the recent doors open day and didn't even know it existed. At the moment the garden is still under rejuvenation. I think once it is more established you would see more visitors. Not quite the lost gardens of Heligon but something like that."

A visitor, 2018

The Research We did

A substantial volume and range of community consultation has taken place which drives this business plan and is set out in detail in a separate appendices document. In summary we have undertaken the following;

- Gala Day June 2018 – Over 60 people gave their views onsite
- Open Doors Day and Garden Tours 1st Saturday of each month. Consultation took place at 3 of these events and a further estimated 50 people contributed.
- A community survey was responded to by over 50 people



- Health Group / Pilton Community Health Project July 2018 – small focus group to gather more qualitative data
- Volunteers focus group July 2018 with 13 people
- July 2018 Volunteer Picnic and harvest day ‘Tattie Lifting and Garlic Harvesting’
- Stakeholder contact, meetings and interviews
- Other creative consulting methods including a series of short films about the Garden and its visitors and volunteers

One of the things that emerged strongly from the research is not just percentages of people supporting an orchard etc., but how people feel when in the garden. Though intangible, many mention the “magical atmosphere”, and how “special” and safe it feels. Some ended up writing poetry, sending images from childhood with associated feelings and meanings visiting or working in this garden seems to elicit.

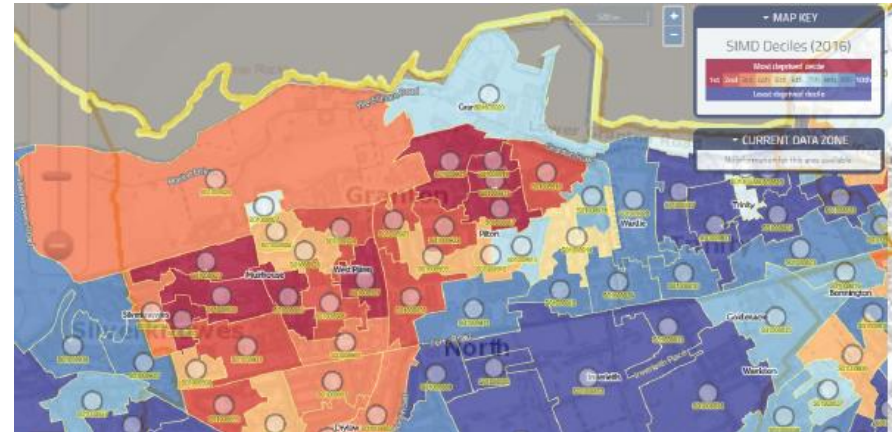
Children have been heavily involved including one who dubbed our garden “Stick Land”.

Summary of Findings

The Walled Garden is within the community of Granton which is one of the most deprived areas in Edinburgh. It is located north of the existing communities of Granton, Royston, Pilton and Muirhouse and alongside the new housing and commercial developments on Granton Waterfront which will grow over the next 10 to 15 years.

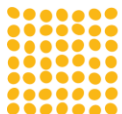
As can be seen from the adjacent map, the Walled Garden is bordered by areas of deprivation falling into Quintiles 1-4 (dark red to orange), representing some of the most deprived populations in Edinburgh.

There are five main datazones in the immediate vicinity of the site showing the following statistics;



- 4 of the 5 are in the worst areas of Scotland in terms of relative deprivation. The other is in the lowest 20%
- Geographical access to services is relatively high due to this being an urban area but
- Income is in the lowest 10% of the 4 worst areas
- Employment is in the worst 10% with some areas in the worst 5%
- Health is in the worst 10% of areas with one area being in the worst 5%
- In 3 of the areas, education and learning is in the lowest 30% but in two it is much lower.
- 3 of the areas have very high levels of crime.

Despite these statistics, the area has a history of resilience and community activism with groups such as Pilton Community Alliance being active in one form or another since the 1940s and the Pilton



Community Health Project since 1984. There is community pride and a culture of self-help and activism.

There is a strong strategic fit with local and national policy around health and community resilience. There was support from partners that is set out in this plan and consistent positivity from the community about the difference this would make;

- 99% would agree or strongly agree that the garden would strengthen the community and reduce isolation
- 98% feel it would help people understand the environment
- 98% think it would improve the environment
- 88% think it would change individuals' lives through the services offered
- Less, but still high at 72% and 75% feel this would create a more self-sufficient area that produces its own food.

Services and Activities Under Themes

Objective 1 - Preserving an important part of Granton's built environment and heritage

Community Activities and events will be hosted regularly to celebrate the history of this walled garden and the castle that was demolished. With the direct link through the gardener there is a live story here to tell.

Display boards and other forms of interpretation will be created and situated round the garden.

Guided walks on specific, well publicised days and times will offer people from further afield the opportunity to visit the garden.

The written work on the history of the garden will be consolidated and distilled into a professionally printed guide book or on-line when resources become available.

A key project over time will be the physical restoration of the fabric of the buildings and site including the dovecote, glasshouse and the walls.

A key priority is to remove asbestos and get access to sheltered space and to get water into the site.

Objective 2 - Restoring a working garden that will trial and grow a wide range of produce, contributing to building a local food system and improving health outcomes for local residents

We can increase the weekly volunteer gardening sessions. This is fundamentally intended to attract a range of local people. Public open days will be arranged.

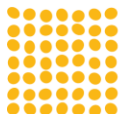
We will continue to employ and enhance the gardening staff who will have a growing plan that local volunteers can follow with support. Food Growing Activities will involve planting, instituting a garden wide growing plan followed by cultivation and maintenance.

Harvesting of salad crops, herbs, peas and beans together with berry picking events, tattie lifting and garlic harvesting. This produce will be given and/or sold to local individuals and organisations, while volunteers will be able to retain some of the produce for their own use.

Processing of produce at jam, juice and chutney making events with local partners in their kitchen facilities will allow storage longer term.

Health and Wellbeing Activities will be facilitated from the garden including health and heritage walks with Pilton Community Health Project and Granton Hub.

We have participated in food festivals and will continue this city wide demonstration of community growing.



We plan to research the feasibility of developing a brand for our produce for retail to local health food shops in the city as well as to local individuals and on-line. We have already investigated the options for retaining intellectual property.

We will bring people together round food and growing by initiating pop-up cafes at events to create more than individual change by bringing people together, strengthening community.

Objective 3 - Provide opportunities for education, learning and skills development

Opportunities for learning sessions and training courses will be offered to a range of local education providers. In particular we will continue to reach out to local nurseries, schools and colleges to enhance achievement locally.

Creating areas for play (wild, structured and unstructured) is important for children in the area and we will seek to provide such a safe area in the future.

Recently we have offered a series of well-attended creative workshops utilising the resources of the garden and will continue these.

In the future we will look at the feasibility of collaborating on workshops and courses ranging from horticulture and growing, to the propagation of heritage plants, the heritage of the site and concept of walled gardens, with appropriate partners.

Our many existing partners and learning recipients can be seen in an appendix.

Objective 4 - Create areas of peace and calm for spiritual reflection and mental wellbeing

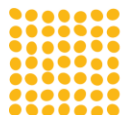
Spaces and calm walks will be created in the extensive garden where people of all ages can enjoy stress free time out to reflect and to benefit from the positive sense of the space

We will work with local mental health orientated charities to manage this and will explore concepts such as social prescribing to source beneficiaries we would not normally come across.

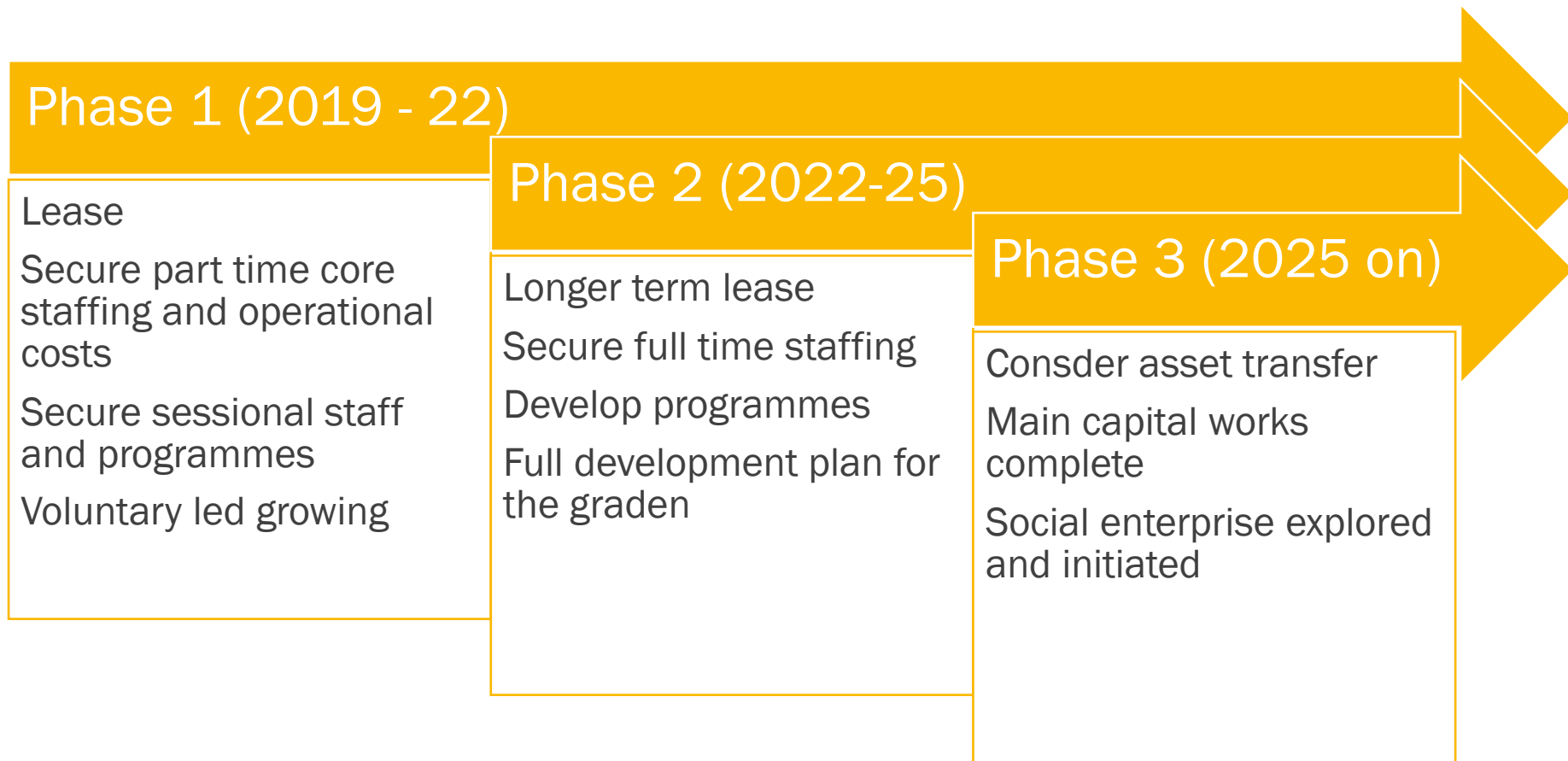
Objective 5 - Make the garden accessible to visitors and create a venue to support, historical, heritage, cultural and arts activities

Cultural Activities will be developed including art, dance, music and storytelling events in the garden. Participating in the Shoreline Exhibition will be important to us as we want the garden to become a destination site for the people of Edinburgh and beyond.

The garden venue will continue to be a part of the annual Cockburn Association Doors Open exhibiting it to people who might not have realised it existed.



A Phased Approach to Site Development



The Difference we will Make

Outcome 1

- 500 local residents per year, many of whom grow up in uninspiring places, will access an important part of Granton's built environment and heritage and feel it is their own

Outcome 2

- 250 local people per year with poor health and diet, will improve their physical health and well-being through working in the garden and accessing good quality locally produced food.

Outcome 3

- 100 local people per year, who have low aspirations and low educational achievement will report increases in learning through accessing training at the garden.

Outcome 4

- 250 per year with low self-esteem and poor mental health will improve their well-being through spending time in the relaxing garden and wild-life spaces

Outcome 5

- 1000 people across Edinburgh per year will visit the garden and learn about its hidden history as well as enjoying cultural and creative events.

Measuring Our Impact

The aim of this business plan is to ensure that the Friends of Granton Castle Walled Garden becomes a robust, sustainable enterprise with good services that achieve or exceed the targets and outcomes set out. The trustees and staff will be committed to monitoring the progress of the work and to promoting both success and learning.

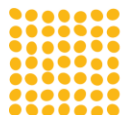
The outcomes and milestones will be fleshed out in more detail in the future when the concept moves towards inception and, once agreed, those milestones and outcomes will be what is monitored against. There will be a clear baseline from which we can measure change. We will also monitor for change outwith those outcomes and record any unexpected outcomes, positive and negative.

A report will be structured that the most senior member of staff will present to each board meeting outlining progress towards each outcome and whether milestones have been achieved on target, with clear plans to address issues if the milestones are off track. Actions will be agreed by the trustees and implemented by the staff team.

We will endeavour to consolidate a system whereby reporting become relatively streamlined.

Once staff capacity is in place, evidence will be sought using, where possible, less traditional methods:

- Recording numbers of people attending the Garden and for what purpose. The group have used clickers at events to record numbers of attendees and estimate the split of ages and location.
- Numbers of people attending the volunteer growing sessions and at what times on sign in sheets



- Attendees at learning events that will all have simple evaluation forms.
- Evaluation at events to take views from people as they are there, say on a blackboard, graffiti board or on postcards that they can leave in a box.
- Testimonials from regular local users about the impact of being on the site
- We will use a lot of photography and video interviews to record data in a different way.
- The nature of those people, whether local or visitors
- Numbers and nature of volunteers and where they come from.
- User and customer surveys at times will investigate outcomes and views in more detail. We may bring in outside help for this.
- A regular stakeholder meeting will also gather data
- Numbers of social media followers and the quality of that conversation where immediate feedback can be tracked quickly

The finances will be monitored

The success of activity will be dependent upon the efforts and motivation of existing and new staff and volunteers.

Funding and Finance

Cost

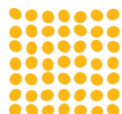
At the moment we do not have professionally costed designs for the physical development of the garden but funding streams below will set out how we will get to that point. We need water brought into the site and the need for shelter may require the erection of a small structure and/or the removal of asbestos from existing structures to make them safe. Estimates will be required for this.

All other costs can be seen in the cash flow projection at appendix 1.

Funding Sources

As our overall aim is to create a resource that will bring together communities in one of the most deprived parts of Edinburgh, our funding strategy aims to create a balance between grant funding and very small elements of income generating activity. We intend to ensure that those most in need of the services the garden has to offer are able to access them as affordably as possible. As result grants, certainly in the early phase, are vital to our financial plans.

Funder	Details	Amount	
		Capital	Revenue
Big Lottery Medium grants	Funding for the community aspects of the outcomes – community control and resilience, health and well-being etc. Match with Robertson Trust	£20,000	£50,000
Robertson Trust	Funding for the community aspects		£30,000



	of the outcomes but with more focus on individuals and the difference to people. Match with Big Lottery Capital grant for upgrading the site is for a future separate bid		
Climate challenge fund and others.	Future funding for community growing around the creation of a resilient local food eco-system for Granton Funds for staff, materials, tools, expenses etc. Detail depends on CCF detailed outcomes when they emerge	£25,000	£150,000

Income Generation and Financial Viability

We plan to establish the garden with grants to allow for free and affordable use for local people. We will also work towards a modest social enterprise model with some free activity combined with charged-for courses and other income-generating opportunities to work towards some unrestricted income. Staffing, operational and other costs associated with restoration of the garden infrastructure will principally be covered in the early years by grant funding. As the garden is restored we expect it to begin to generate small amounts of income

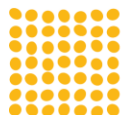
later and the three year cash flow projection attached as Appendix 1 shows this in more detail.

This summary sheet shows the growth of income vs grants and the turnover of the garden for the first three years.

	yr1	yr2	yr3	Total
Income				
Trading	£2,475	£5,400	£5,400	
Donations	£2,000	£2,000	£2,000	
Robertson Trust	£15,000	£15,000	£15,000	£45,000
Lottery Community Fund	£30,000	£30,000	£30,000	£90,000
Total	£49,475	£52,400	£52,400	
Expenditure	£48,486	£49,226	£49,982	
Surplus / deficit	£989	£3,174	£2,418	£6,581

Managing finances

We are a new organisation and are building our skills in this area. The budget is currently set by the trustees. In future once, the relevant staff are in post, this report will also provide an executive summary of costs, risks and progress against objectives and outcomes. The report will be used by the Trustees at monthly meetings to monitor progress and discuss any variances and how to address these. At an appropriate time in the future the Friends will adopt a computerised system such as Sage or Xero to manage finances. Training and support will be provided with this.



Governance and Management

The Board

Friends of Granton Castle Walled Garden is registered with the Parks and Greenspace Service at Edinburgh City Council. In December 2018, the Friends became a Scottish Charitable Incorporated Organisation (SCIO) No SC048884. Currently the Friends are a simple, tier 1 SCIO.

The Friends Group was formed in 2013 and since then has gained wide understanding and knowledge of what is required to undertake such an ambitious project. There is a wide skills base within the Committee, including expertise in horticulture, botany, planning, local community engagement, landscape architecture, history, heritage, research, practical building skills and project management.

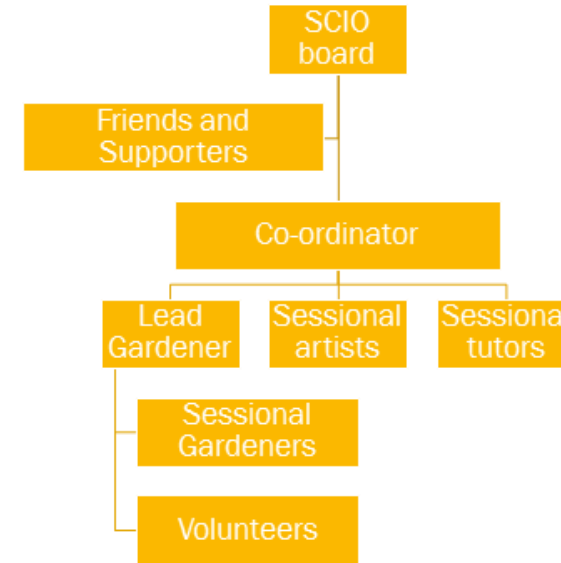
The Committee will develop and strengthen their skills in governance and management through a training programme. Suitable courses are available from Just Enterprise and EVOC.

As well as skills development the board is very open to new board members and undertakes regular recruitment initiatives.

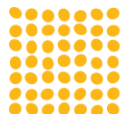
Proposed staffing

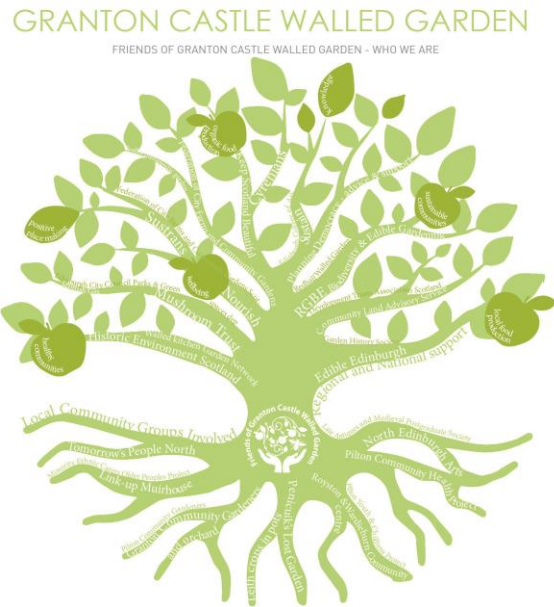
Much of the work to date has been carried out by volunteers. While continuing to make use of the wide range of skills and experience of volunteers, we have identified that the following staff will be required to move forward to the next stage of development.

The following is the ideal staffing complement, when funding becomes available.



Working in Partnership





Working in partnership is vital to the model of Granton Castle Walled Garden and this section should be read in conjunction with the services section as joint delivery is fundamental to how we want to work.

Partnerships can be related to direct service delivery, wider referral routes, attracting visitors or project policy and networking. The table below outlines the key partners we have developed though this will continue over time.

Key partners

The table in the appendices shows the extent of interest in the garden from a range of organisations and bodies from across the public, private and third sector. The following fleshes out some of the key partnerships operationally.

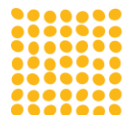
Heritage and environment - Historic Environment Scotland (HES) reviewed the Friends' group research which led to the revision of their information about the Walled Garden and Dovecote and the relisting of the walls as a B category structure.

Our relationship with HES continues through the Scotland's Urban Past (SUP) project. The Friends' group was invited to join SUP's community history project and to create a more accurate online account of the Garden's history in the digital national record. SUP are continuing to run workshops with the Friends over the summer of 2019. The Friends aim for a wider community involvement in establishing and recording the footprint of the old Castle and SUP will continue to provide support. This engagement continues as Friends widen their research and contribute to Canmore, HES's database which is the National Record of the Historic Environment.

We have been in contact with Archaeology Scotland to look at possibilities of the dovecote becoming part of their 'Adopt a Monument' scheme. The City Archaeology Dept. may support interpretation for the castle's historic footprint.

Social Bite - Adjacent to the garden, Social Bite established housing for homeless people. Partnering with Cyrenians, this project not only provides housing but also support and help to residents to help them reintegrate their lives back into society. We are exploring potential synergies between this project and developments in the garden. Discussions took place around co-ordination of physical facilities and services. We have offered volunteer work/training placements for the village residents.

Community Food Groups - Close links have been developed with local community gardens and other food initiatives. Alongside them we have



a shared commitment to addressing food poverty. In the past, we have donated some of our vegetable crop to Granton Community Gardeners' Community meals, hosted Pilton Walking Group to pick hedgerow fruit for jam and jelly making and in conjunction with the Botanics Cottage run a hedgerow syrup making event. As the garden becomes more productive, many opportunities for learning and active participation in food production will arise and we will further develop and enhance these relationships and partnerships. We will play our full part in contributing to local strategies to support and encourage healthy eating and to address food poverty.

Education – There has been significant interest from a number of education, training and learning providers from across all sectors. Pupils and staff from Craigmoynton Community School visited the garden to enhance their curricular activity. Following this, further discussions will take place with local schools about how they could be involved. At the same time, we will explore how the garden can be used more widely and contribute to policy in relation to green space and outdoor learning. The garden offers ideal placement opportunities for a range of training programmes.

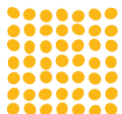
During the summers of 2017 - 2019, the improvisation collective led by Dr Sophia Lycouris of Edinburgh College of Art (ECA) created a live installations of art and sculpture in the garden, much of which remains on display in the garden, enhancing its appeal. Through a continuing partnership with creative artists, we have a wonderful opportunity to record the progress of the garden as it is restored in innovative and imaginative ways. This will benefit both the artists who will have access to a unique resource and the garden which will gain some very valuable resources for present and future use.

Health and Wellbeing - Visitors and volunteers who have come to the garden have noted the peace and tranquillity of the surroundings and how beneficial this is to their health and wellbeing. Our consultation explored how we might develop parts of the garden to maximise the benefits to health. Trellis, an organisation that

supports therapeutic gardening has already given us design advice and principles for a brief for the planned competition for the design of the sanctuary area. This has included ideas relating to the senses and working with dementia and Alzheimer's through the environment

The garden as a visitor attraction - Various meetings have taken place with Edinburgh City Council Parks Department and they will be a key partner as we take forward access to the garden. An ongoing relationship has been developed with Scottish Gardens and Landscape Heritage who are keen and willing to assist us with historic garden design. We participated in the Cockburn Association's Doors Open Day in 2017 and 2018 and this will become a regular event in the garden's calendar.

Marketing and Communications



The marketing plan is required to be effective for two key reasons: firstly, we need to attract a strong range and scale of local people from North West Edinburgh to ensure we achieve the social outcomes; secondly, we need to attract visitors from further afield to enjoy this beautiful site. Ideally these should merge but driving usage and visitors to the Garden is vital for securing its success.



A branding exercise has already been undertaken and there is a logo and brand identity in place. This will need to be deployed with a strategic communications and marketing plan which will be developed in the future. Branding will communicate Granton Castle Walled Garden's special identity and character. The communications and marketing plan will set out a detailed time table of activity that can be implemented by new

staff. As a result the marketing plan will be distinct and outcomes focused and the following gives a snapshot of the context in which it will work.

There will be three key targets for the marketing plan. These are almost completely distinct sometimes requiring different methodologies. They are

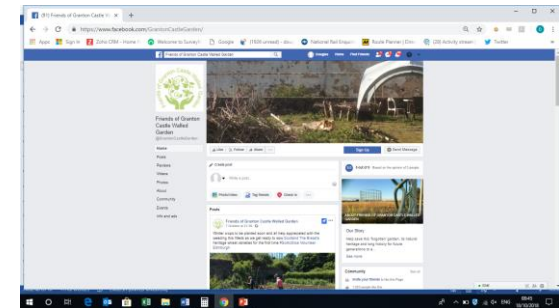
1. Local people (who are isolated or require support) who we want to use and contribute to the garden and will be the main social beneficiaries.
2. Broader users from across the city who will use the garden for learning and heritage/environmental activities.

3. Visitors - many of whom are coming to see the Garden or who are attracted to the quality of the heritage and outdoor access.

Local Market

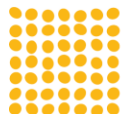
We will create a strategic marketing strategy based on the following;

- E-mail news bulletins. We will create a database of local residents who are committed to the garden, building up a sense of an electronic community (the Friends) who get regular news updates
- Poster and flyers, keeping people in North West Edinburgh and the surrounding area informed via shop windows and noticeboards as well as local partners like North Edinburgh Arts
- Use of gatekeepers, sending information out to local third sector groups
- Use of social media. We have 1026 followers on facebook and 374 followers on twitter. We will continue to grow and develop this on-line presence.
- Use of the local press



A conversation will be built to keep people in touch with “their” garden.

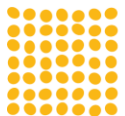
Wider Users



We will work closely with partners in the city. These all attract significant visitors to the city and we want to capture some of that market.

Working with visitor and tourism agencies, through on and off-line marketing materials and scattered with campaigns throughout the years. We will work with strategic partners including tourism officers at Edinburgh Council and the Chamber of Commerce.

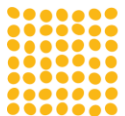
In later phases of development, clear professional publicity material will be designed and developed and distributed to the right publications.



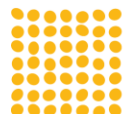
Appendix 1 : Cash flow projections

Staffing

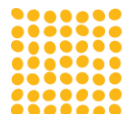
Core Posts	Salary	NI	Pension	Time	total
Co-ordinator	28000	£2,752	1400	0.5	£16,076
Lead Gardener	£24,000	£2,200	£1,200.00	0.4	£10,960
Sessional artists budget	£10,000				£10,000
Total					£37,036



CASH FLOW PROJECTION	Granton Walled Garden													Year 1
	Number of learners per month													
	Price per course per head	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	
		2019												
		April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	Total
INCOME														
Robertson Trust		£7,500						£7,500						£15,000
NLCF Community Led Medium		£15,000						£15,000						£30,000
Donations and fundraising	Incl for plants and produce	£500	£100	£100	£100	£100	£100	£100	£500	£100	£100	£100	£100	£2,000
Workshops and Training	Many offered free to locals	£0	£0	£0	£150	£150	£150	£150	£375	£375	£375	£375	£375	£2,475
	TOTAL	£23,000	£100	£100	£250	£250	£250	£22,750	£875	£475	£475	£475	£475	£49,475
EXPENDITURE														
Direct costs														
Salaries (incl NI and pension see sep sheet)		£3,086	£3,086	£3,086	£3,086	£3,086	£3,086	£3,086	£3,086	£3,086	£3,086	£3,086	£3,086	£37,036
Staff training & development		£250							£250					£500
Volunteer expenses		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200
Insurance		£750												£750
Printing, stationery, postage		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Marketing and promotion		£500									£500			£1,000
Telephones	Mobile on site	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Memberships & publications		£500												£500
Site Repairs and maintenance		£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£3,000
Professional Fees													£1,500	£1,500
Sundry expenses, tools, compost etc		£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£1,800
	TOTAL	£5,686	£3,686	£3,686	£3,686	£3,686	£3,686	£3,686	£3,936	£3,686	£4,186	£3,686	£5,186	£48,486
Surplus/Deficit		17,314	-3,586	-3,586	-3,436	-3,436	-3,436	19,064	-3,061	-3,211	-3,711	-3,211	-4,711	989
Opening Balance		0	17,314	13,727	10,141	6,705	3,268	-168	18,896	15,835	12,623	8,912	5,701	
Closing Balance		17,314	13,727	10,141	6,705	3,268	-168	18,896	15,835	12,623	8,912	5,701	989	



CASH FLOW PROJECTION		Granton Walled Garden												Year 2
		2019												
	Number of learners per month	30	30	30	30	30	30	30	30	30	30	30	30	
	Price per course per head	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	
		April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	Total
INCOME														
Robertson Trust		£7,500						£7,500						£15,000
NLCF Community Led Medium		£15,000						£15,000						£30,000
Donations and fundraising	Incl for plants and produce	£500	£100	£100	£100	£100	£100	£100	£500	£100	£100	£100	£100	£2,000
Workshops and Training	Many offered free to locals	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£5,400
	TOTAL	£23,450	£550	£550	£550	£550	£550	£23,050	£950	£550	£550	£550	£550	£52,400
EXPENDITURE														
Direct costs														
Salaries (incl NI and pension see sep sheet)	2% cost of living	£3,148	£3,148	£3,148	£3,148	£3,148	£3,148	£3,148	£3,148	£3,148	£3,148	£3,148	£3,148	£37,776
Staff training & development		£250							£250					£500
Volunteer expenses		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200
Insurance		£750												£750
Printing, stationery, postage		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Marketing and promotion		£500									£500			£1,000
Telephones	Mobile on site	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Memberships & publications		£500												£500
Site Repairs and maintenance		£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£3,000
Professional Fees													£1,500	£1,500
Sundry expenses, tools, compost etc		£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£1,800
	TOTAL	£5,748	£3,748	£3,748	£3,748	£3,748	£3,748	£3,748	£3,998	£3,748	£4,248	£3,748	£5,248	£49,226
Surplus/Deficit		17,702	-3,198	-3,198	-3,198	-3,198	-3,198	19,302	-3,048	-3,198	-3,698	-3,198	-4,698	3,174
Opening Balance		0	17,702	14,504	11,306	8,108	4,910	1,712	21,014	17,966	14,768	11,070	7,872	
Closing Balance		17,702	14,504	11,306	8,108	4,910	1,712	21,014	17,966	14,768	11,070	7,872	3,174	



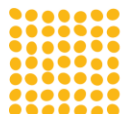
CASH FLOW PROJECTION	Granton Walled Garden												Year 3
	Number of learners per month	30	30	30	30	30	30	30	30	30	30	30	30
Price per course per head	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15
	2019												
	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	Total
INCOME													
Robertson Trust	£7,500						£7,500						£15,000
NLCF Community Led Medium	£15,000						£15,000						£30,000
Donations and fundraising	Incl for plants and produce	£500	£100	£100	£100	£100	£100	£100	£500	£100	£100	£100	£2,000
Workshops and Training	Many offered free to locals	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£450	£5,400
TOTAL	£23,450	£550	£550	£550	£550	£550	£23,050	£950	£550	£550	£550	£550	£52,400
EXPENDITURE													
Direct costs													
Salaries (incl NI and pension see sep sheet)	2% cost of living	£3,211	£3,211	£3,211	£3,211	£3,211	£3,211	£3,211	£3,211	£3,211	£3,211	£3,211	£38,532
Staff training & development		£250						£250					£500
Volunteer expenses		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200
Insurance		£750											£750
Printing, stationery, postage		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Marketing and promotion		£500								£500			£1,000
Telephones	Mobile on site	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Memberships & publications		£500											£500
Site Repairs and maintenance		£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£3,000
Professional Fees												£1,500	£1,500
Sundry expenses, tools, compost etc		£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£1,800
TOTAL	£5,811	£3,811	£3,811	£3,811	£3,811	£3,811	£3,811	£3,811	£4,061	£3,811	£4,311	£3,811	£49,982
Surplus/Deficit	17,639	-3,261	-3,261	-3,261	-3,261	-3,261	19,239	-3,111	-3,261	-3,761	-3,261	-4,761	2,418
Opening Balance	0	17,639	14,378	11,117	7,856	4,595	1,334	20,573	17,462	14,201	10,440	7,179	
Closing Balance	17,639	14,378	11,117	7,856	4,595	1,334	20,573	17,462	14,201	10,440	7,179	2,418	



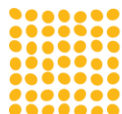
Appendix 2 : Risk Analysis

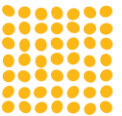
The greatest overall risk to the project at this stage is that the group is not granted long term security of tenure that is essential to take forward the proposals outlined in this business plan. The risk assessment below therefore assumes that agreement will be reached on the most appropriate legal arrangement that will provide this for the next five years while also allowing us to explore the option to buy in future.

Area of risk	Internal/ External	What could go wrong?	Impact *	Probability **	What can we do about it?
Remedial works	E	Works not agreed/delayed/funding not achieved			Ensure agreement, including health and safety issues with owners is negotiated and any relevant funding applications submitted timeously
Services	E	Problems with connection of services (water, sewage, electricity) to garden			Discussions taking place with Social Bite re service infrastructure and other options will be identified if these do not progress satisfactorily
Restoration of buildings in garden	E	Funding delayed or not granted			Expert consultants will be used to prepare funding applications to provide best possible chance of success. Costs savings and contingency built in Experts will be consulted to advise on structural issues and planning consents. If and when necessary, business plan will be amended to take account of impact of delays or changes to plans.
	E	Unanticipated structural issues arise			
	E	Delays or problems with any consents required			
Restoration of garden	E	Funding not available to employ staff required			Expert consultants will be used to prepare funding applications to provide best possible chance of success.
	I	Insufficient numbers of volunteers/trainees/workers			Continue to promote the garden as a volunteering opportunity and engage with local education and

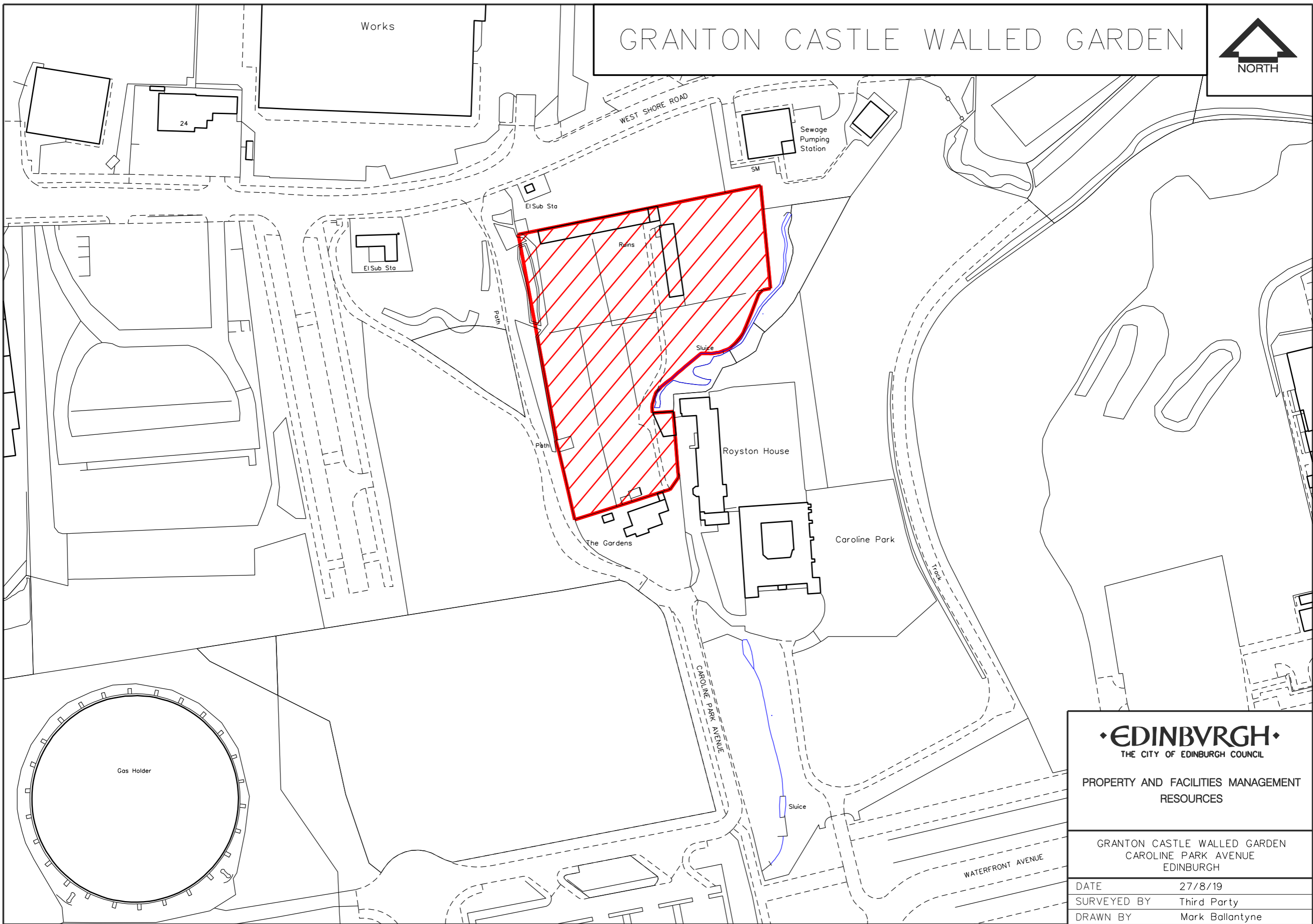


					training providers to offer placements and work experience opportunities
	I	Volunteers lacking expertise/experience			Put in place induction and training programmes and carry out regular training needs analysis to ensure needs are met
	I	Over/under supply of produce to meet market demand			Work with local community food projects to estimate likely demand and ensure gluts are processed and preserved.
	E	Biological hazards – pests, disease etc.			Develop strategy for eradication of pests and diseases
Capacity of organisation	I	Organisation lacks formal structure			SCIO is at final stages of registration Board development and recruitment
	I	Lack of experience at committee/board level			Existing and new committee and board members will undergo training to build their capacity to run the organisation
	I	Lack of expertise to manage and monitor budgets and finance			The proposed staffing includes someone with skills to manage and monitor budgets. As above capacity will be built at committee/board level to oversee finance
Finance and sustainability	I and E	Not enough cash flow to manage business			Clear cash flow projections and good financial planning Strong finance skills on the board
* Impact – what effect (red – major, amber – medium, green – minor) something going wrong would have on achievement of business plan					
** Probability – how likely is it that the risk identified will happen (red – high, amber – medium, green – low)					





GRANTON CASTLE WALLED GARDEN



Page 274

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

GRANTON CASTLE WALLED GARDEN
CAROLINE PARK AVENUE
EDINBURGH

DATE	27/8/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2169

SITE PLAN

SCALE 1:1250

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Land at Clovenstone Gardens, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	2 – Pentland Hills
Council Commitments	10

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves 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 this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager

Property and Facilities Management Division, Resources Directorate

E-mail: Graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Land at Clovenstone Gardens, Edinburgh – Proposed Disposal

2. Executive Summary

- 2.1 J Smart & Co (Contractors) PLC is seeking to purchase approximately 1,788 sq m (0.44 acres) of land, held on the Housing Revenue Account, adjacent to Clovenstone Gardens, Edinburgh which adjoins a development site over which they have a conditional contract for an affordable housing development. The land is required to form part of the landscaping of the proposed development. The report seeks approval to dispose of the land on the terms and conditions outlined in the report.

3. Background

- 3.1 J Smart & Co (Contractors) PLC (Smarts) is in the process of acquiring a development site at Clovenstone Gardens and has submitted a planning application for the development of 69 affordable flatted units. The purchase of the development site is conditional on planning permission being received. Smarts will then agree a missive for the onward sale of the units to a Registered Social Landlord.
- 3.2 To complete the landscaping of the development, Smarts has approached the Council to purchase an area of land outwith the existing site boundary which is situated between the development site and Clovenstone Gardens.
- 3.3 The land forms an elongated strip of amenity ground extending to approximately 1,788 sq m (0.44 acres), as shown outlined and hatched in red on the attached plan.
- 3.4 The land is held on the Council's Housing Revenue Account (HRA) and has been declared surplus to the Council's operational requirements.

4. Main report

- 4.1 The following terms have been provisionally agreed:

- **Subjects:** Land extending to approximately 1,788 sq m (0.44 acres) adjacent to Clovenstone Gardens;
- **Purchaser:** J Smart & Co (Contractors) PLC;
- **Price** £82,000;
- **Council Fees:** The purchaser will meet the Council's reasonably incurred legal fees;
- **Conditions on Use:** It will be a condition of the sale that the land is to be used as amenity ground only, in connection with a development of affordable housing and must not form part of any residential plot;
- **Conditions of Sale:** Planning permission being obtained by the purchaser for the proposed residential development which will allow the purchase of that site to complete.

4.1 The sale price has been agreed based on similar disposals of amenity land in Edinburgh.

5. Next Steps

5.1 Following approval of the terms by Finance and Resources Committee, Legal Services will be instructed to conclude the transaction.

6. Financial impact

6.1 A capital receipt of £82,000 to the Housing Revenue Account during financial year 2019/20.

6.2 Disposal of the land will remove the need for ongoing maintenance by the Council.

7. Stakeholder/Community Impact

7.1 Ward elected members have been made aware of the recommendations of the report.

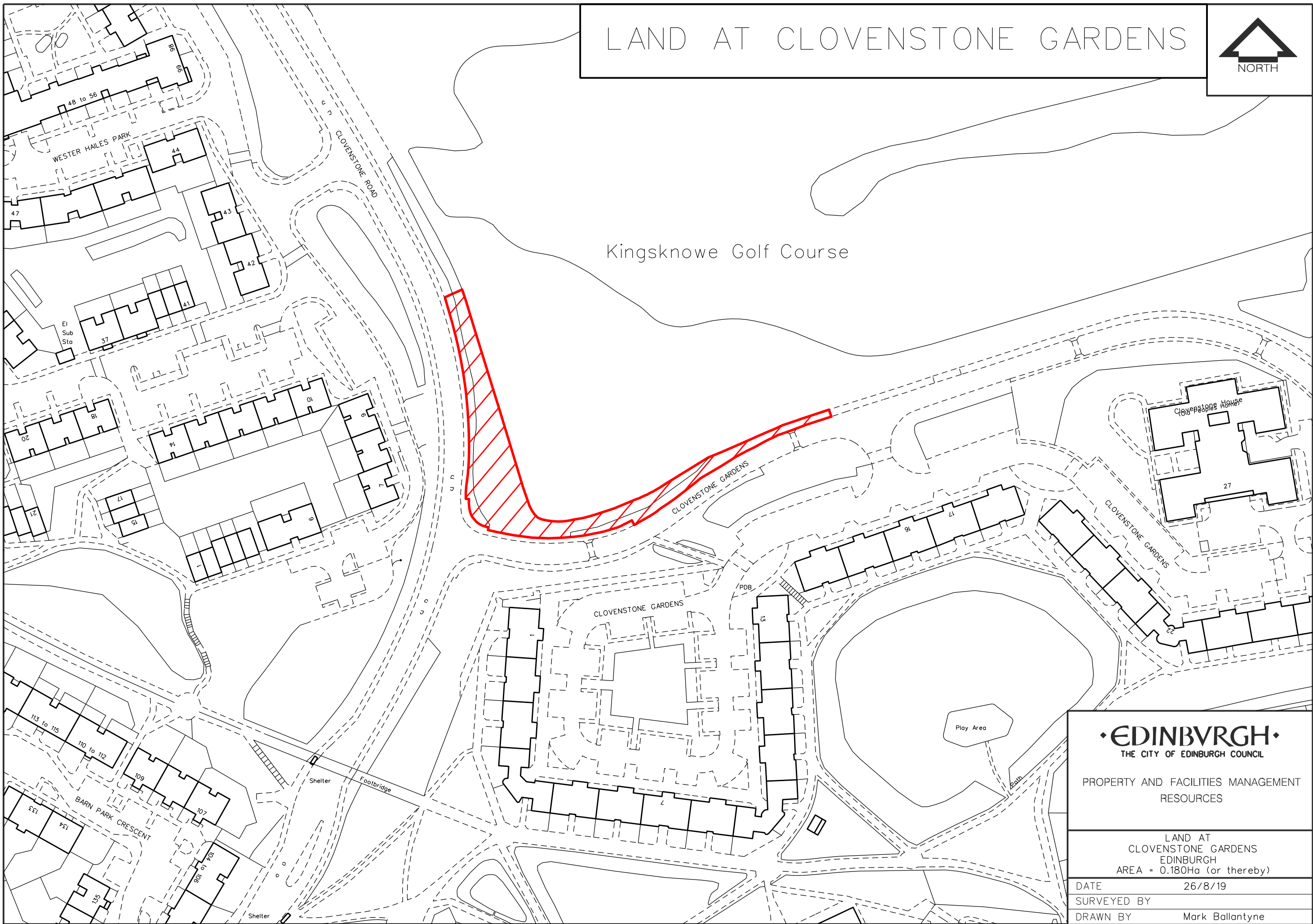
8. Background reading/external references

8.1 N/A

9. Appendices

Appendix 1 - Location Plan

LAND AT CLOVENSTONE GARDENS



Page 279

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
LAND AT CLOVENSTONE GARDENS EDINBURGH AREA - 0.180Ha (or thereby)	
DATE	26/8/19
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2166

SITE PLAN

SCALE 1:1250

This page is intentionally left blank

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Land at Prestonfield Gardens, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	15 – Southside/Newington
Council Commitments	2

1. Recommendations

1.1 That Committee:

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

Stephen S. Moir

Executive Director of Resources

Contact: Mark Borthwick, Assistant Development and Disposals Officer,

Property and Facilities Management Division, Resources Directorate

E-mail: mark.borthwick@edinburgh.gov.uk | Tel: 0131 529 2273

Land at Prestonfield Gardens, Edinburgh – Proposed Disposal

2. Executive Summary

- 2.1 The owner of 37 Prestonfield Gardens has applied to purchase Council-owned land adjacent to their property that has been declared surplus to requirements. The land will be used as garden ground. The report seeks approval to dispose of the land on the terms and conditions outlined in the report.

3. Background

- 3.1 The owner of 37 Prestonfield Gardens, Edinburgh has applied to the Council to purchase an area of grassed amenity land adjacent to their property.
- 3.2 The area of land extends to approximately 460 sq m (0.11 acres) as shown outlined in red on the attached plan. It has restricted access and a steep slope towards its boundary with Prestonfield Gardens.
- 3.3 The land is held on the Council's Housing Revenue Account (HRA) and has been declared surplus to the Council's operational requirements.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- **Subjects:** Land extending to approximately 460 sq m (0.11 acres) at 37 Prestonfield Gardens;
 - **Price** £10,600;
 - **Title Conditions:** The use of the land will be restricted to garden ground only;
 - **Costs:** The purchaser will be responsible for all Council and Legal costs.

- 4.1 The title condition will prevent the land being used for any purpose other than garden ground, without prior written approval by way of a minute of waiver.

5. Next Steps

- 5.1 Following approval of the terms by Finance and Resources Committee, Legal Services will be instructed to conclude the transaction.

6. Financial impact

- 6.1 A capital receipt of £10,600 to the Housing Revenue Account during financial year 2019/20.
- 6.2 Disposal of the land will remove the need for ongoing maintenance by the Council.

7. Stakeholder/Community Impact

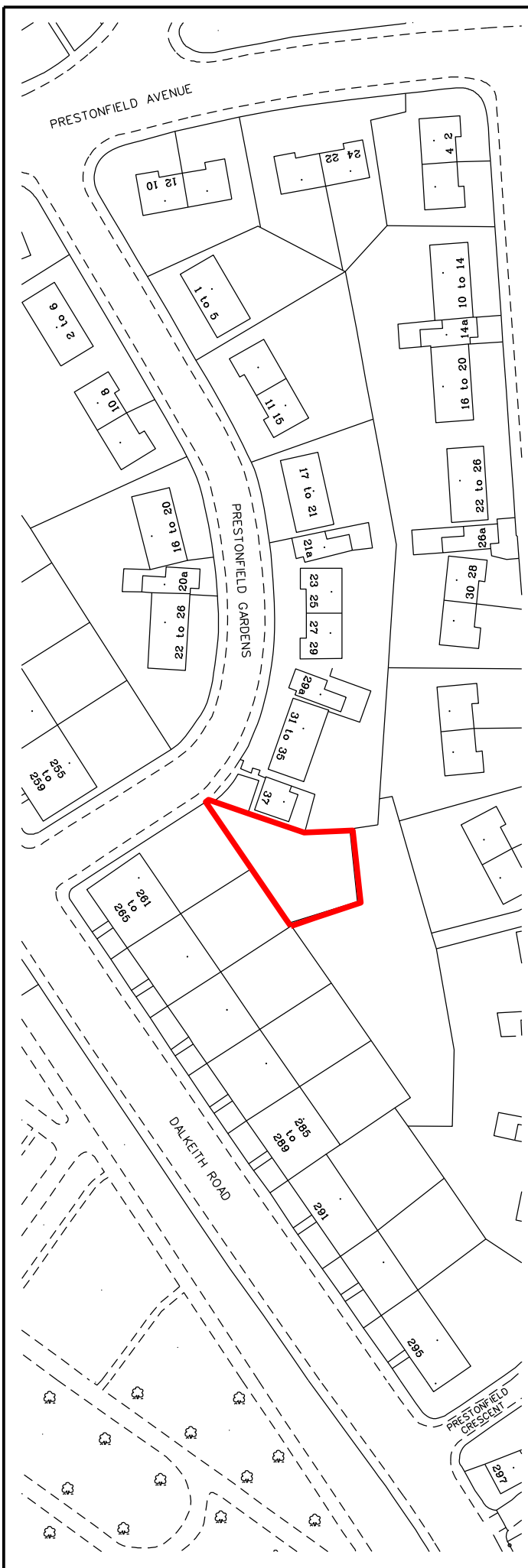
- 7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

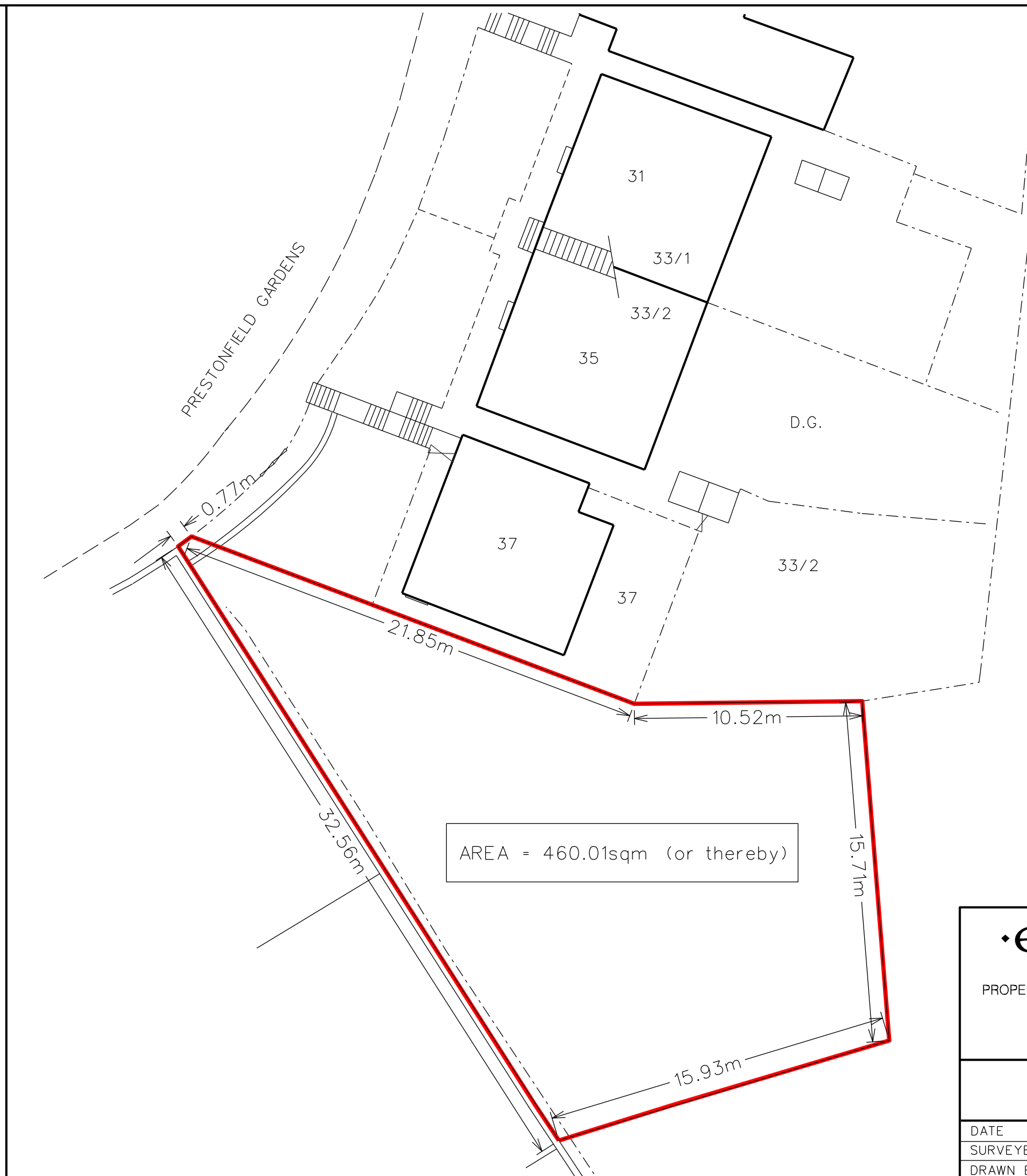
- 8.1 N/A

9. Appendices

Appendix 1 - Location Plan



LOCATION PLAN SCALE 1:1250



SITE PLAN

SCALE 1:200

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
Land adjacent to 37 Prestonfield Gardens EDINBURGH	
DATE	13/1/14
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1417

Finance and Resources Committee

10.00am, Thursday 10 October 2019

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

Item number	
Executive/Routine	Routine
Wards	
Council Commitments	

1. Recommendations

- 1.1 It is recommended that the Committee notes the contents of this report and the contract awards made by officers under delegated authority. A further report will be submitted to the Committee in approximately six months' time.

Stephen S. Moir

Executive Director of Resources

Iain Strachan, Chief Procurement Officer,

Finance Division, Resources Directorate

E-mail: iain.strachan@edinburgh.gov.uk | Tel: 0131 529 4930

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

2. Executive Summary

- 2.1 This report updates the Finance and Resources Committee on the scope of contracts awarded across the Council in the period 1 January to 30 June 2019. This provides visibility of contracts awarded by officers under delegated authority, inclusive of direct contract awards not openly tendered due to specific circumstance permitted in the relevant procurement regulations and those awarded following a waiver of the Council's Contract Standing Orders (CSOs). This report also seeks to provide the Committee with visibility of the forthcoming procurement programme in relation to expected higher value contracts across the Council.

3. Background

- 3.1 The Commercial and Procurement Services (CPS) Team, within the Finance Division, is responsible for fostering commercial and procurement efficiency, assisting Best Value to be secured across the Council. In support of this approach CPS:
- supports Directorates to procure goods, works and services (with the focus primarily on contracts in the value of £25,000 and above); and
 - provides governance, process and operational oversight for contracting and purchasing (including the Council's CSOs).
- 3.2 This commercial and procurement programme comprises significant volumes of both activities and stakeholders across the breadth of the Council. The scope of this function includes working with services in relation to:
- £635m of third party spend across the Council during 2018/19;
 - Management of the Council's Contract Register - 1292 live contracts (at 30 June 2019); and
 - Approximately 6600 suppliers, 1240 requisitioners and 680 approvers on the Council's purchasing system, Oracle (at 30 June 2019).
- 3.3 Directorates are responsible for ensuring that contract information is regularly updated on the Council's Contract Register (accessible through the Orb and publicly). CPS regularly provides a list of expiring contracts and waivers to

Directorates for their review, to enable Executive Directors and Heads of Service to fulfil their responsibilities for all contracts tendered and subsequently awarded by their Directorates/Divisions. Commercial Partners within CPS work alongside Divisional management teams and procurement delivery teams, as business partners, to support relationship management and to assist the contract planning process.

- 3.4 The Council's CSOs outline contract approval thresholds for goods, works and services, identifying both the level of award which can be undertaken and those with the authority to award.
- 3.5 In specific circumstances, direct awards can be undertaken, where it is not practically viable to 'tender' the requirement.
- 3.6 A waiver of CSOs to allow a contract to be awarded or extended without competitive tendering may also be required in certain circumstances. Inevitably, there will always be a need for a select number of waivers, however each is evaluated on its own merits and approval given only if fully justifiable and in the best interests of the Council. Such circumstances continue to be tightly controlled and scrutinised and will continued to be reported to Committee through this report.
- 3.7 This report also provides insight into forthcoming procurement activity for expected higher value contracts across the Council.

4. Main report

- 4.1 This report updates the Finance and Resources Committee of the scope of contracts awarded by officers under delegated authority across the Council in the period 1 January to 30 June 2019 and provides visibility of the forthcoming procurement programme in relation to expected higher value contracts across the Council.¹
- 4.2 The CSOs state that contracts above a threshold of £1m for supply of goods and services and £2m for works require approval from the Committee prior to award. A summary of contracts awarded by officers under delegated authority is presented in Table 1 overleaf, note this excludes income contracts awarded by the Place Directorate (£1.23m Total) as detailed in Appendix 1.

¹ Information as recorded on the Council's contract and waiver registers as at 09/07/2019.

Table 1 Contracts Awarded under Delegated Authority

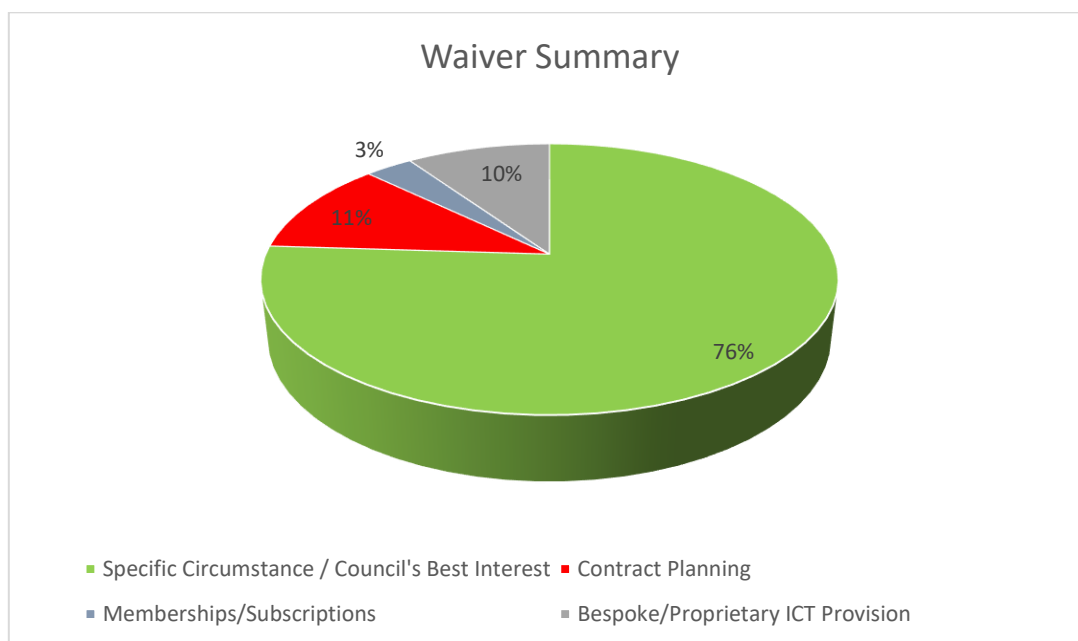
Directorate	Total Contract Value 1 January – 30 June 2019
Chief Executive	-
Communities and Families	£7,206,982
Health and Social Care	£4,852,577
Place*	£15,094,446
Resources	£23,693,919
De Minimus Value Contracts (Under £25,000)	£1,013,253
(*excludes income contracts)	£51,861,177

- 4.3 A full breakdown of contracts awarded by officers under delegated authority in this period is provided in Appendix 1. It is noted that given their de minimis value, contracts under the value of £25,000 have not been listed. For information, there were a total of 87 contracts awarded with a value of less than £25,000.
- 4.4 National Framework awards under Standing Order 12 of the CSOs are also included in Appendix 1. The title or description identifies where such a Framework has been utilised, of which there are three noted within this reporting period.
- 4.5 The report also offers insight in respect of those contracts awarded under waiver (both under delegated authority and through Committee approval) of the Council's CSOs, these are summarised by Directorate in Table 2 below.

Table 2 Contracts Awarded under the Waiver of Standing Orders

Directorate	Total Value of Waivers 1 January – 30 June 2019	
	Delegated Authority	Committee Approval
Chief Executive	£203,322	-
Communities and Families	£1,980,016	-
Health and Social Care	£532,050	£5,276,498
Place	£3,406,716	£1,075,000
Resources	£1,495,250	-
De Minimus Value (Under £5,000)	£178,695	-
	£7,796,049	£6,351,498

- 4.6 Appendices 2 and 3 provide the detail and financial value of contracts awarded under waiver of Council CSOs. It should be noted that in several cases the expected spend, as determined by the service area, may be below the value of the waiver granted. Given their de minimis value, waivers under the value of £5,000 have not been listed in Appendix 2. For information, there were a total of 46 waivers with a value of less than £5,000 awarded in this period, to a total value of £178,695.
- 4.7 To enable greater understanding of the background to waivers across the Council, CPS records relevant management information. The chart below details reasoning (based on the background and justification detail provided by the service area) for the waivers in period, noting that only a limited percentage (11%) primarily relate to contract planning, historically a concern of the Committee. The majority (76%) of waivers recorded relate to specific circumstances where services required at a certain point in time dictate that a direct award is in the Council's best interests. It is noted that 10% relate to bespoke/proprietary ICT Provision, with the remainder relating to membership and subscriptions. Given the breadth of services delivered across the Council, the reasons for these are numerous and varied, with further detail of the requirement for each waiver listed within Appendix 2.



- 4.8 With regard to the value of waivers, the majority continue to be of a relatively low to moderate value, with 18% of waivers below £5,000, 42% below £10,000 and 65% of waivers below £25,000. This is consistent with previous reporting periods.
- 4.9 CPS will continue to monitor and challenge submitted waivers to ensure continuing compliance with the CSOs. The Waivers and Contract Register provides the required visibility of spend enabling CPS to highlight to Directorates where plans for procurement require to be put in place without delay.
- 4.10 To enable greater insight into the forthcoming procurement programme in relation to higher value contracts across the Council, the top twenty (by value) is detailed

within Appendix 4. It should be noted this is based on current knowledge and is subject to change as each individual procurement strand progresses.

5. Next Steps

- 5.1 A further report will be submitted to the Committee in approximately six months' time.

6. Financial impact

- 6.1 Through a robust procurement approach, proactive management of contract cycles, aggregating spend and carrying out competitive procurement where appropriate, this should continue to support commercial efficiency and achieve Best Value for Council contracts.

7. Stakeholder/Community Impact

- 7.1 Directorates have been consulted in relation to their expiring contracts, waivers and suppliers in preparation for the collation of this report. On an ongoing basis, the CSOs outline the appropriate measures of consultation and approval that must be sought from officers or committee for each waiver, dependent on the expected value.
- 7.2 Due to the significant volumes of activity and numbers of stakeholders involved in purchasing and procuring goods, services and works, CPS relies on services to provide accurate information through their Contract Register entries and timely requests for procurement assistance. To mitigate against any risks in this area, data is reviewed for accuracy and reliability in consultation with services.
- 7.3 A waiver denotes a departure from the CSOs. There may be an increased risk if the Council has departed from European Union (EU) or Procurement Reform Act requirements. However, each waiver is scrutinised on its own merits in this context and requires appropriate checks and balances both within the directorate concerned and corporately, and is only approved if justifiable given the circumstances or permitted in accordance with EU or other relevant obligations.
- 7.4 Co-production resource and timescales require to be factored in to overall timescales for services to re-procure contracts to ensure early planning and avoidance of waiver requirements.
- 7.5 There are no equalities or sustainability impacts directly arising as a result of this report.

8. Background reading/external references

- 8.1 [Contract Awards and Procurement Programme \(Period 1 July - 31 December 2018\)](#) – Report to Finance and Resources Committee, March 2019

9. Appendices

Appendix 1 - Contracts awarded under Delegated Authority

Appendix 2 - Contracts awarded under the Waiver of CSOs by Delegated Authority

Appendix 3 - Contracts awarded under the Waiver of CSOs by Committee approval

Appendix 4 - Procurement Programme – Anticipated High Value Procurements across the Council

Appendix 1 – Contracts awarded under Delegated Authority

The following relate to the period 1 January – 30 June 2019.

Income Contracts

Date	Directorate	Place	Value
	Supplier	Contract Description	
22/03/2019	Out of Hand Limited	Festival Advertising 2019 - 2022	-£877,775
27/03/2019	City Centre Posters Limited	Advertising Structures	-£12,960
28/03/2019	Trusted Directory Services Ltd	Edinburgh Trusted Trader Scheme	-£340,300
			-£1,231,035

Supply of Goods and Service Contracts

It is noted there were no goods and service contracts awarded by the Chief Executive Directorate.

Date	Directorate	Communities and Families	Value
	Supplier	Contract Description	
07/01/2019	Architype Limited	Post Occupancy Evaluation for James Gillespie, Boroughmuir and Portobello High Schools.	£78,675
09/01/2019	M Gibb	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 – 4 year olds.	£26,790
09/01/2019	H Hasson	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
09/01/2019	M Campbell	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
09/01/2019	R Ritchie Childminding	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
09/01/2019	Hillhouse Quarry Company	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
22/01/2019	Air Products PLC	Swimming Pool Chemicals & Associated Products.	£55,000
28/01/2019	MCR Pathways	Young People support service	£240,000
30/01/2019	Victim Support Scotland	Victim Support services.	£27,927
25/03/2019	Common Ground Mediation Ltd	Mediation Services for Children and young people	£85,000
28/03/2019	Scottish Adoption Association	Adult Adoption Counselling Services	£430,920

28/03/2019	Barnardo's Scotland	Respite services for Children	£350,000
01/04/2019	Sacro	Provision of Transport Services.	£128,676
09/04/2019	Barnardo's Scotland	Provision of Through Care and After Care (TCAC) Service for support to young people and their families.	£891,982
16/04/2019	Action for Children Services Limited	Provision of Young People's Services.	£624,954
23/04/2019	Rock Trust	Homelessness Prevention	£161,824
23/04/2019	K Wringe	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
23/04/2019	S Askew	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
23/04/2019	A McKellican	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
23/04/2019	L McMahon	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
23/04/2019	D A Rutherford	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
23/04/2019	Pink and Blure SQ Childminding	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
23/04/2019	G Lane	Childminders in partnership with the Council to deliver funded early learning and childcare to 2 - 4 year olds.	£26,790
24/04/2019	Centre for Education and Finance Management Ltd	Educational Recording Agency (ERA) Licences for Educational Establishments.	£26,661
15/05/2019	University of Edinburgh	Annual Contribution to LEAPS.	£220,000
28/05/2019	Croma Vigilant	Provision of transport marshals.	£61,920
29/05/2019	Fabb Scotland	Family support services.	£30,000
29/05/2019	Supporting Positive Paths	Family support services	£120,000
03/06/2019	Cameron Veitch	Temporary accommodation	£96,000
06/06/2019	Salon Services Limited	Salon equipment, furniture and 'fit out' to allow continuance of Hair and Beauty as part of curriculum.	£1,000,000
17/06/2019	Capability Scotland	Mainstream Activities Inclusion Project.	£223,514
25/06/2019	Primecare Health Ltd	Care and support packages.	£640,968
27/06/2019	The Yard/Scotland Yard Adventure Centre Ltd	Support for Holiday Activity Programme for Young People with Disabilities.	£618,598
			£6,434,099

Date	Directorate	Health and Social Care	
	Supplier	Contract Description	Value
22/03/2019	Meallmore Ltd	Adult care services	£439,900
22/03/2019	Waverley Care	Adult care services	£555,977
17/04/2019	OLM Systems trading as Partners 4 Change	Staff development services	£80,000
26/04/2019	Nottingham Rehab Ltd	Servicing and Maintenance of Aids for Daily Living equipment via Yorkshire Purchasing Organisation (YPO) Framework.	£2,268,000
04/06/2019	SXL Framework – Multiple Suppliers	Assistive Technology Enabled Care services to enable independent living.	£1,508,700
			£4,852,577

Date	Directorate	Place	
	Supplier	Contract Description	Value
14/01/2019	Modus Scotland Ltd	Asbestos Information Management System (AIMS).	£35,475
21/01/2019	Cyclehoop Ltd	Cycle lockers and management services	£576,000
07/03/2019	Car Hire (Days of Swansea) Ltd t/a Days Fleet	Lease of five Renault Kangoo electric vehicles.	£55,384
07/03/2019	Car Hire (Days of Swansea) Ltd t/a Days Fleet	Lease of five Renault Zoe electric Vehicles.	£56,516
28/03/2019	PPL PRS Ltd	PRS Licence for the Usher Hall.	£175,000
01/04/2019	Air Monitors Ltd	Service and Maintenance of Air Quality Equipment	£73,150
01/04/2019	Amey OW Limited	Undertaking Principal and Special Inspections throughout the City.	£38,763
02/04/2019	Hydro-Logic Services (International) Limited	Contract for Reservoir & River Telemetry Services - Lot 2 River Sensory Provision.	£36,198
02/04/2019	ID Systems UK Limited	Contract for Reservoir & River Telemetry Services - Lot 1 Reservoir Telemetry Provision.	£44,663
09/04/2019	Sweco UK Holding Limited	Wave Garden Bridge - Pre-construction Services.	£119,580
29/04/2019	Inchcape Fleet Solutions Ltd	Lease of ten Renault Kangoo electric vehicles.	£109,174
01/05/2019	Ove Arup and Partners Scotland Ltd	Water of Leith Phase 2 - River Model Update.	£89,000
21/05/2019	The SMART Centre	Blue Badge Assessment Service.	£721,311

30/05/2019	Arcadis LLP	Morrison Street Bridge Strengthening Works - Structural Review and Assessment.	£27,419
03/06/2019	LeasePlan UK Ltd	Lease of four Renault Zoe electric vehicles.	£46,616
07/06/2019	Scottish Road Works Commissioner	Councils Obligation as Roads Authority to Register Roads Work.	£77,500
17/06/2019	Arcadis LLP	Professional services in relation to the design of low bridge signage.	£30,000
20/06/2019	Will Rudd Davidson Edinburgh Ltd	Professional Services - Structural Engineering Services	£50,000
20/06/2019	British Telecommunication PLC	Edinburgh Tram York Place to Newhaven utility design service	£71,267
25/06/2019	Thomas Sherriff & Co Ltd	Provision of tractors and associated maintenance.	£471,619
25/06/2019	Jarvie Plant Ltd	Hire of Plant to be operated by Edinburgh Road Services.	£117,994
25/06/2019	Jarvie Plant Ltd	Hire of Plant to be operated by Edinburgh Road Services.	£64,377
25/06/2019	Jarvie Plant Ltd	Hire of Plant to be operated by Edinburgh Road Services.	£72,500
25/06/2019	Ashtead Plant Hire Co Ltd	Hire of Plant to be operated by Edinburgh Road Services.	£52,272
			£3,211,778

Date	Directorate	Resources	
	Supplier	Contract Description	Value
08/02/2019	Thrive Learning Limited	'Toolkit' of development interventions for management and leadership skills	£40,110
11/02/2019	Inform Communications PLC	ICT System upgrades	£398,000
12/02/2019	Penna PLC	A framework for the public sector to access and procure recruitment and resourcing services.	£250,000
07/03/2019	Improvement Service Company	Local Government Digital Transformation Partnership.	£60,000
14/03/2019	Trustmarque Solutions Ltd	Microsoft Licences 2019 - 2022	£3,456,812
22/03/2019	Steve Radcliffe Associates Ltd	Provision of an online learning tool on the Future Engage Deliver (FED) philosophy.	£49,200
07/05/2019	ABM Facility Services Scotland Limited	Cleaning Services for Assembly Rooms, Usher Hall, Ross Bandstand & Church Hill Theatre.	£762,544
11/06/2019	Will Rudd Davidson Edinburgh Ltd	Professional Services via Framework - Structural Engineering Services.	£408,552
25/06/2019	Scottish Government	Contribution to Research & Development Programme.	£30,000
			£5,455,218

Works Contracts

It is noted there were no works contracts awarded by the Chief Executive or Health & Social Care Directorates.

Date	Directorate	Communities and Families	Value
	Supplier	Contract Description	
27/05/2019	Allsports Construction and Maintenance Ltd	The upgrading of the existing 2G Pitch and creation of new 3G MUGA at Hunters Hall Park	£772,883
			£772,883

Date	Directorate	Place	Value
	Supplier	Contract Description	
11/01/2019	McGill Electrical Limited	Emergency lighting to multi-storey high-rise blocks via Housing Asset Management (HAM) Framework	£188,995
11/01/2019	Nicholson Bros Electrical	Emergency lighting to multi-storey high-rise blocks via HAM Framework.	£142,938
14/01/2019	H & J Martin Limited	Painting to exterior of 2 - 60 West Cromwell Street via HAM Framework.	£53,295
16/01/2019	T. & N. Gilmartin (Contractors) Limited	Cycling improvement schemes across City via Transport & Infrastructure (T & I) Framework.	£801,712
22/01/2019	Everwarm Ltd	Energy Efficiency Installations Citywide via HAM Framework.	£86,084
23/01/2019	MW Groundworks Ltd	Bridge connecting Niddrie House park to Hunter's Hall public park.	£235,250
30/01/2019	Transport Scotland	A8 Footway Improvement Works Newbridge Roundabout to Lochend Road.	£70,000
01/02/2019	Go-Wright Ltd	Structural repairs to masonry structures via Contractors Works (CW) Framework.	£238,120
11/02/2019	M J H Builder Ltd	Rebuild retaining wall at 2 - 6 Forrester Park Drive.	£47,583
13/02/2019	Maclay Civil Engineering Ltd	Carriageway resurfacing and strengthening to Lothian Road via T & I Framework.	£439,819
19/02/2019	Maclay Civil Engineering Ltd	Reconstruction of Rose Street, between Hanover Street and Frederick Street.	£597,148
11/03/2019	Saltire Roofing and Building Ltd	Adaptations Wet Floor Showers via Domestic Repair & Maintenance (DRM) contract.	£50,000
18/03/2019	Eden Group	Door Adaptations via DRM contract.	£50,000
25/03/2019	Omega Lift Services Ltd	Lift Replacement Contract via HAM Framework.	£1,120,000
28/03/2019	BigCat Contracts	Micro Hydro within Saughton Park Edinburgh.	£593,180

15/04/2019	Tarmac Trading Limited	Oswald Road Resurfacing via T & I Framework.	£260,978
16/04/2019	Nicholson Bros Electrical	Smart Storage Heating via HAM Framework.	£488,083
29/04/2019	Eden Group	Door Entry Upgrades to Citywide Mixed Tenure Properties via HAM Framework.	£953,208
15/05/2019	Everwarm Ltd	Cavity Wall Insulation via SXL Framework.	£552,670
15/05/2019	BCA Insulation Ltd	Internal Wall Insulation via SXL Framework.	£451,318
17/05/2019	T B Mackay Energy Services Ltd	Boiler Replacement Contract via HAM Framework.	£1,048,853
20/05/2019	Nicholson Bros Electrical	Electrical Smoke Alarm Upgrades via HAM Framework.	£341,711
20/05/2019	Turner & Townsend Infrastructure	Electrical Vehicle Charging Phase 1 Project Management Support via SXL Framework.	£25,200
23/05/2019	Saltire Roofing and Building Ltd	Removal of existing lead pipes and replacement with compliant system.	£400,000
29/05/2019	Martec Engineering Group Ltd	Adaptations Ramp Installations via HAM Framework.	£39,798
07/06/2019	Nicholson Bros Electrical	Emergency lighting to high rise blocks via HAM Framework.	£349,244
10/06/2019	Gas Call Services Ltd	Domestic Heating Replacement via HAM Framework.	£1,967,450
14/06/2019	Castle Group Scotland	Design and Installation of Greendykes Footbridge	£290,031
			£11,882,668

Date	Directorate	Resources	
	Supplier	Contract Description	Value
16/01/2019	G Grigg and Sons Limited	James Gillespie High School roofing works via CW Framework.	£92,407
26/02/2019	Watson & Lyall Ltd	2 Wardieburn Road, roof and render repairs via CW Framework.	£91,437
26/02/2019	Sibcas Limited	Leith Primary School - TU relocation via CW Framework.	£178,025
27/02/2019	Ashwood Scotland Ltd	Brunstane Primary School refurbishment and improvement works via CW Framework.	£361,388
01/03/2019	Maxi Construction Ltd	Seafield Recycling Depot maintenance repair via CW Framework.	£763,955
12/03/2019	Nicholson Bros Electrical	Brunstane Primary School - Lighting improvements via CW Framework.	£151,990
25/03/2019	Bell Decorating Group Ltd	Minor Works at Clocktower Unit 1.	£69,766
26/03/2019	James Breck Ltd	Stonework repairs to properties at Henderson Gardens.	£71,641
03/05/2019	Maxi Construction Ltd	Wardie Primary School Phase 2 Mechanical & Electrical via CW Framework.	£1,111,921

06/05/2019	FES Ltd	Liberton High School Phase 3 Mechanical & Electrical via CW Framework.	£1,213,362
17/05/2019	Servest Arthur McKay Limited	Lorne Primary School - Electrical upgrades via CW Framework.	£217,664
24/05/2019	Servest Arthur McKay Limited	St Thomas of Aquins High School mechanical installation works via CW Framework.	£250,829
27/05/2019	Apex Contracts Limited	Roofing repairs to a traditional tenement building - Springwell Place.	£30,185
28/05/2019	Cornhill Building Services Ltd	Tollcross Primary School windows and internal works Phase 2 via CW Framework.	£438,221
30/05/2019	Morris & Spottiswood Ltd	Blackhall Primary School refurbishment works to roofing and ceilings, via CW Framework.	£377,544
06/06/2019	Cornhill Building Services Ltd	New Community Hub at Murrayburn Primary School via CW Framework.	£57,551
10/06/2019	Morris & Spottiswood Ltd	Sighthill Primary School, external fabric and Mechanical & Electrical via CW Framework.	£628,496
10/06/2019	McLaughlin and Harvey Limited	Dean Park Primary School, works to windows, roof, etc, via CW Framework.	£1,786,847
11/06/2019	FES Ltd	James Gillespie's Primary School, works to lighting, power, flooring, etc via CW Framework.	£354,143
11/06/2019	Morris & Spottiswood Ltd	Carricknowe Primary School - Curtain walling and internal Enhancement works via CW Framework.	£574,483
12/06/2019	Maxi Construction Ltd	St Mary's Primary School - Window upgrade, mechanical and electrical works via CW Framework.	£410,459
12/06/2019	Cornhill Building Services Ltd	Bruntsfield Primary School -roof, window, electrical and sanitary upgrade via CW Framework.	£641,821
14/06/2019	Skanska Facilities Services	Currie Primary School boiler upgrade via CW Framework.	£134,636
14/06/2019	Ashwood Scotland Ltd	Hillwood Primary School - window replacement, M&E, external works via CW Framework.	£208,362
14/06/2019	Ashwood Scotland Ltd	Clovenstone Primary School - Roofing and Internal works via CW Framework.	£461,484
17/06/2019	Ashwood Scotland Ltd	Leith Walk Primary School and - window repairs / replacement and toilet upgrade via CW Framework.	£346,871
17/06/2019	Cornhill Building Services Ltd	Duddingston Primary School - Mechanical, Electrical and Internal works via CW Framework.	£966,731
19/06/2019	Morris & Spottiswood Ltd	St Margaret's Primary School - roof, structural repairs, sanitary, ceilings via CW Framework.	£307,780
19/06/2019	Maxi Construction Ltd	Davidsons Mains Primary School – Mechanical and Electrical, toilet upgrades etc via CW Framework.	£486,236
19/06/2019	Maxi Construction Ltd	South Morningside Primary School – roof works, windows, Mechanical, Electrical via CW Framework.	£564,976
24/06/2019	Bell Decorating Group Ltd	Towerbank Primary School, Window replacement, joinery, M & E, external works via CW Framework.	£764,407
24/06/2019	McLaughlin and Harvey Limited	Gilmerton Primary School, windows, doors, M&E, external walling and roof works via CW Framework.	£1,042,433

25/06/2019	James Breck Ltd	Gylemuir Primary School - roofing, rendering, joinery, decoration and repairs via CW Framework.	£285,892
25/06/2019	Morris & Spottiswood Ltd	Corstorphine Primary School – Repair, refurbishment and upgrade works via CW Framework.	£296,790
25/06/2019	FES Ltd	Moredun YPC, Mechanical and Electrical, décor & floor coverings via CW Framework.	£301,778
25/06/2019	Morris & Spottiswood Ltd	Canal View Primary School - Refurbishment works via CW Framework.	£1,138,765
27/06/2019	Clark Contracts Ltd	Currie Primary School toilet upgrades phase 2 via CW Framework.	£168,465
28/06/2019	Ashwood Scotland Ltd	Royal Mile Primary School, repair and refurbishment works via CW Framework.	£888,960
			£18,238,701

Appendix 2 – Contracts awarded under the Waiver of CSOs by Delegated Authority

The following relate to the period 1 January – 30 June 2019.

Waiver No.	Directorate	Chief Executive	
	Supplier	Justification for waiver	Value
Waiver 1593	Inventis	Urgent requirement for major event planning software.	£32,000
Waiver 1599	Idox Elections	Sole supplier of Scottish Government approved 'eCount' system for use in Leith Walk by-election.	£17,856
Waiver 1605	Bruynzeel Storage Systems Ltd	Maintenance of electronic shelving system at Murrayburn depot by supplier of existing equipment.	£5,220
Waiver 1684	Task Trading Limited	One-off fundraising purchase of 'Oor Wullie' statues as contribution to Sick Kids Hospital.	£6,000
Waiver 1714	NetNames Ltd	Domain name management service to register, renew and manage all aspects of domain registration.	£20,000
Waiver 1795	Idox Software Ltd	European Parliamentary Election, specialist printing service, costs recoverable from third party.	£122,246
			£203,322

Waiver No.	Directorate	Communities and Families	
	Supplier	Justification for waiver	Value
Waiver 1532	Humanware Europe Ltd	Proprietary ICT Hardware to assist visually impaired pupils in drafting documents in braille.	£10,656
Waiver 1534	Radisson Blu Hotel	Hosting of Library Annual Conference, costs fully recoverable from third parties.	£25,000
Waiver 1535	Actual Reality Learning and Leadership Co Ltd	Schools outdoor residential experience funded by Parent Teacher Association (PTA) / Pupil Equity Funding (PEF).	£6,208
Waiver 1540	Forestry Commission Scotland	Council contribution, in partnership with Forestry Commission, for road repairs to Benmore outdoor centre.	£35,000
Waiver 1541	Cairngorm Mountain Ltd	Purchases of ski passes by Lagganlia Outdoor Centre to support outdoor learning programme for children.	£12,000
Waiver 1542	Lecht Ski Company Ltd	Purchases of ski passes by Lagganlia Outdoor Centre to support outdoor learning programme for children.	£12,000
Waiver 1545	NHS	Parking permits for social work staff based at the Royal Infirmary.	£8,333

Waiver 1548	Warm Wellies	Specific protective clothing for Early Learning activities.	£10,000
Waiver 1549	Muddy Faces Ltd	Specific protective clothing for Early Learning activities.	£25,000
Waiver 1554	Crew 2000 (Scotland) Ltd	Specific harm reduction organisation for young people via partnership of voluntary organisations.	£41,063
Waiver 1562	University of Edinburgh	Independent evaluation of pilot project to help tackle child sexual exploitation	£10,716
Waiver 1572	Saint-Gobain Building Distribution Ltd	Construction and maintenance of bespoke products for child play areas, unavailable through contracted supplier	£49,000
Waiver 1575	Collaborate & Innovate Ltd	Primary school equipment, sole supplier, future provision through PEF framework.	£13,000
Waiver 1576	Bethany Christian Trust	Short term extension of homeless support to allow completion of tender and transfer to new providers.	£121,673
Waiver 1582	M McHardy	Pupil counselling service within Holy Rood High School.	£5,400
Waiver 1586	Connevans Ltd	Statutory testing of pupil assisted hearing systems	£7,030
Waiver 1594	Orris Educational Woodhall Spa Ltd	Unique conference and training experience for Teachers, future provision through PEF Framework.	£84,050
Waiver 1595	Tobii Dynavox Limited	Voice output communication aids (VOCA) specific to individual needs.	£12,000
Waiver 1596	Sibcas Limited	Temporary nursery unit relocation (Leith to St Cuthbert's Primary School) by original supplier, best value.	£178,025
Waiver 1611	MRC Pathways	Successful innovative programme to deliver outcomes for looked after children.	£21,000
Waiver 1612	The Reading Agency	Intellectual property rights relating to support to annual national 'Summer Reading Challenge' in schools.	£24,000
Waiver 1613	Kings Foundation	Bespoke leadership programme for primary school children to help raise attainment levels.	£7,000
Waiver 1623	Edinburgh Young Carers	Contract extension to allow for services redesign ensuring continuity of service whilst tender process is undertaken.	£91,690
Waiver 1624	Love learning	Training for vulnerable pupils to support them in attainment, future provision under PEF framework.	£7,402
Waiver 1630	ESP Scotland Ltd	Playground improvements as funded by PTA.	£26,449

Waiver 1632	Columba 1400	PEF funded opportunity for pupils at Castlebrae High School to improve wellbeing.	£20,000
Waiver 1633	Rainbow Educational Resources LTD	SEAL training funded through PEF.	£7,925
Waiver 1634	ATGRoup, Playhouse Theatre, Edinburgh	Tickets for school pupils to attend The Lion King	£5,860
Waiver 1642	Carebase	Unique provider of paediatric beds for children in respite care.	£8,055
Waiver 1644	Benholm Group	Historic gardening contract at Leith Academy.	£6,251
Waiver 1645	OpenObjects an Idox Company	IT software hosting and maintenance relating to Council libraries.	£6,367
Waiver 1646	Supermums	Short term provision of creche staff, externally funded.	£6,465
Waiver 1647	Why Settle	Extension of IT application relating to homelessness until migrated to Council contracted IT supplier.	£14,325
Waiver 1650	Royal Voluntary Service	Provider of volunteers to deliver housebound and library link services.	£35,000
Waiver 1654	GL Assessment	GL testing (stage tests) for school pupils	£5,670
Waiver 1655	Ikea	Custom design furniture for Lagganlia Outdoor Centre.	£7,500
Waiver 1659	Scottish Nursing guild	Temporary agency staff for specific child support, not available from contracted suppliers.	£9,000
Waiver 1661	Link Housing Association Ltd	One off purchase to support, costs recoverable from third parties.	£5,207
Waiver 1674	Black Light Ltd	Lighting for drama production in school, limited supply market to meet specific needs.	£6,440
Waiver 1676	Edinburgh Community food	Family cooking sessions and related supplies costs at the Discover Hubs.	£6,000
Waiver 1678	Osiris	Specialised children services workshops funded through Scottish Attainment Challenge (SAC).	£13,107
Waiver 1679	Career Ready	Council contribution to Career Ready (connecting employers with schools) scheme	£17,800
Waiver 1681	Real Care Support Limited	Emergency transfer of young people into secure care, Council staff health and safety.	£25,000

Waiver 1685	EdICT Training Ltd	Software system to track attainment in secondary schools, bespoke system to meet requirements.	£20,000
Waiver 1686	Lisson Grove Benefits Program Ltd	IT software for benefits checking, incorporated within existing case management IT system.	£5,600
Waiver 1687	Calor Gas Ltd	Supply of gas for heating and cooking at Lagganlia Outdoor Centre.	£43,579
Waiver 1688	Supporting Positive Paths	Care provision to 'supported person' in line with statutory duty	£50,000
Waiver 1692	Primecare Health Ltd	Independent care placement for young child with specific care needs.	£15,000
Waiver 1695	JMT Care Services Ltd	Foster care support for severely disabled children	£200,000
Waiver 1715	The Fostering Network	Annual subscription to fostering network to provide access to support, training, policy development and legal support.	£15,456
Waiver 1716	Belle Unique	Carpeting of several classrooms at Flora Stevenson School	£10,000
Waiver 1717	SM Joinery	Local joinery service for Benmore Outdoor Centre.	£20,000
Waiver 1720	Jack Kane Community Centre	SAC / PEF funded programme of assessment and activities with existing community linked charity.	£18,000
Waiver 1725	Multiple	Legal Aid solicitors for Kinship Carers, interim arrangements.	£90,000
Waiver 1737	Pivotal Education Limited	Behavioural training for staff and senior management under PEF.	£6,245
Waiver 1738	Highland Fling	Bespoke support programme to pupils at Castleview Primary School as part of commitment to attainment.	£18,000
Waiver 1741	Pivotal Education Limited	Training for specific groups of staff and pupils, unique provider.	£6,714
Waiver 1742	Skills Skool Ltd	Continuity with accredited training provider to support those at risk of removal from mainstream education.	£12,000
Waiver 1744	Coram Adoption	Interagency fees in relation to adoption.	£51,000
Waiver 1748	Scottish Nursing Guild	Interim arrangements for temporary	£49,000
Waiver 1753	Virgin Media Business Ltd	Continuation of CCTV fibre service until tender process is undertaken.	£46,287

Waiver 1756	Primecare Health Ltd	Urgent provision for individual requiring complex care	£122,500
Waiver 1757	Primecare Health Ltd	Urgent provision for individual requiring complex care	£30,000
Waiver 1772	SPIE Scotshield Ltd	Continuation of CCTV camera maintenance service by existing provider	£75,400
Waiver 1775	BT Redcare	Continuation of CCTV recording system maintenance by existing provider	£25,568
			£1,980,016

Waiver No.	Directorate	Health and Social Care	
	Supplier	Justification for waiver	Value
Waiver 1538	Muirhouse Medical Group	Support for drugs and alcohol research and innovation at the medical practice as with the NHS	£58,750
Waiver 1579	Good Governance Institute Development and Research	Completion of governance review by existing provider, best value.	£20,000
Waiver 1619	CARDS	Payment to voluntary sector organisation for support for those at risk of alcohol related brain damage.	£37,677
Waiver 1620	Link Up	Payment to voluntary sector organisation for unique service.	£20,000
Waiver 1673	Sanctuary Personnel	Short term use of agency occupational therapist to cover necessary vacant position.	£21,067
Waiver 1713	Advance Stairlift, W Munro Rehab Ltd, Total Hygiene	Short term extension for three contracts to support mobilisation on new contract	£55,800
Waiver 1721	Broughton St Mary's Parish Church	Venue hire for locality-based day support services for adults with learning disabilities.	£6,000
Waiver 1722	Drylaw Parish Church	Venue hire for locality-based day support services for adults with learning disabilities.	£10,500
Waiver 1735	Service Care Solutions	Use of temporary agency staff, subsequently moved to contracted supplier.	£39,199
Waiver 1768	UK Smart Recovery	Evidence based mutual aid intervention meetings to support individuals with drug and alcohol problems.	£19,200

Waiver 1777	Social Care Solutions	Historic temporary staff expenditure, staff vacancies now successfully filled.	£23,857
Waiver 1782	Scottish Nursing Guild	Interim arrangement for respite provision not available through Council framework.	£45,000
Waiver 1783	Scottish Nursing Guild	Interim arrangement for respite provision not available through Council framework.	£20,000
Waiver 1788	Spotlight	Support to ensure individuals with learning disabilities have access to further education.	£35,000
Waiver 1794	Jonket Ltd	Servicing and maintenance of alarm receiving centre to monitor vulnerable service users across the City.	£120,000
			£532,050

Waiver No.	Directorate	Place	Value
	Supplier	Justification for waiver	
Waiver 1526	Glenrothes Taxi Centre Ltd	Competitively tendered via Fife Council, providing transport to CEC service users in Fife to minimise cost.	£40,000
Waiver 1531	Edmundson Electrical Ltd	Historic stock required for light bulbs at Cultural Venues, not available from contracted supplier.	£5,110
Waiver 1537	Levenseat Ltd	Short term extension to waste treatment contract delays to new Framework implementation.	£240,000
Waiver 1547	Tuula Pardoe	Conservation of 18th century dress, cultural history, costs fully recoverable from third parties.	£11,736
Waiver 1550	IMG Artists UK Ltd	Agent fees for artists and orchestras for Culture Venues annual programme.	£210,750
Waiver 1552	Welgo Office Equipment Ltd	Supply and maintenance of additional Electronic Point of Sale (EPOS) equipment, consistent with existing.	£35,000
Waiver 1564	West Lothian Council	Cross boundary supported bus service, part subsidised by the Council.	£105,595
Waiver 1565	Dovetail Foks	Booking of Council delegate places and accommodation with the conference agents for MIPIM 2019.	£11,520
Waiver 1568	Hamilton Waste & Recycle	Short term contract for inert waste until framework is available for use.	£35,000
Waiver 1573	Anturas Consulting Limited	Consistency of approach to governance and programme management for major infrastructure projects.	£11,402
Waiver 1583	SeatGeek Entertainment Ltd	Propriety IT ticketing licence and PEN Testing, hosted by supplier, Council's best interest.	£10,000

Waiver 1587	Essential Edinburgh	Partnership resources allocated to Essential Edinburgh for Festival Lighting in City Centre streets.	£60,000
Waiver 1590	The Scottish Government	Council contribution to Scottish Government towards cost of Scottish Pavilion at Cannes annual real estate and investment conference.	£50,000
Waiver 1617	David Ogilvie Engineering	Public seats with personalised inscription plaques in outdoor locations.	£200,000
Waiver 1626	Constantine	Transport of Fine Art by specialist company for summer exhibition as required by the Council's insurer.	£35,324
Waiver 1627	Reactec	Supply of monitoring equipment for Hand Arm Vibration Syndrome until new contract is in place.	£41,880
Waiver 1628	Changeworks Recycling Ltd	Short term extension to contract with existing provider until services are brought in-house.	£75,000
Waiver 1635	Optimised Environments Limited	Consultation for St James Centre Project, supplier already working on site for third parties, best value.	£6,500
Waiver 1638	City Desk	Content creation of weekly communications for the Invest Edinburgh Website.	£5,000
Waiver 1639	TWM Traffic Control Systems Ltd	Repairs of bespoke traffic signalling system relating to 20pmh signage around schools.	£7,450
Waiver 1643	Air Monitors Ltd	Air monitoring equipment, costs recoverable.	£26,800
Waiver 1648	Buggy Walks	Programme of buggy walks, known provider, third party funded.	£7,000
Waiver 1649	Elmhurst Energy Systems	Renewal of IT module linked to Council's IT application.	£33,000
Waiver 1652	ABB	Warranty extension, works and maintenance to electric vehicle chargers, third party funded.	£22,373
Waiver 1657	A & R Martin Ltd	Production equipment for Cultural Venues until in house provision in place, costs recoverable.	£75,000
Waiver 1664	War Productions Ltd	Production equipment for Cultural venues, costs recoverable from third parties.	£60,000
Waiver 1665	Granart	Specific supplier of memorials at Mortonhall Crematorium.	£20,000
Waiver 1667	Edible Estates	Provision of community garden and greenspace development service.	£16,880

Waiver 1668	Lothian Shopmobility	Provision of powered wheelchairs and scooters to support mobility impaired within City centre area.	£78,207
Waiver 1669	IKM Consulting Ltd	Water monitoring as required by SEPA by supplier with historical knowledge of this specific site.	£15,237
Waiver 1672	Kerrs Removals	Storage and transfer of goods for homeless, best interests.	£6,700
Waiver 1677	G4S	Security for 'Open Streets' demonstration event.	£8,063
Waiver 1682	HG Consulting (Scotland) Limited	Independent insurance certifier relating to the tram.	£8,361
Waiver 1683	Hays Specialist Recruitment Ltd	Specialist recruitment not available through contracted suppliers.	£20,000
Waiver 1689	Abellio Scotrail Ltd	National blind scheme for free concessionary travel.	£90,000
Waiver 1693	Imatek	Short-term pilot project working with European partners as part of a city consortium.	£19,132
Waiver 1694	Changeworks Recycling Ltd	Short term contract extension to allow for completion of procurement process.	£14,000
Waiver 1698	Lothian Buses PLC	Short term extension to supported bus contract to allow time to finalise review of supported services.	£182,000
Waiver 1699	Lothian Buses PLC	Short term extension to supported bus contract to allow time to finalise review of supported services.	£117,000
Waiver 1700	Lothian Buses PLC	Short term extension to supported bus contract to allow time to finalise review of supported services.	£71,000
Waiver 1701	Lothian Buses PLC	Short term extension to supported bus contract to allow time to finalise review of supported services.	£200,000
Waiver 1702	Waverley Travel	Short term extension to supported bus contract to allow time to finalise review of supported services.	£56,000
Waiver 1703	Edinburgh Coach Lines Ltd	Short term extension to supported bus contract to allow time to finalise review of supported services.	£152,000
Waiver 1706	Finning (UK) Ltd.	Specialist vehicle hire for use at the Council's new Waste Transfer Stations, sole provider.	£180,000
Waiver 1707	ATG Access Ltd	Repair and maintenance to automatic bollards by original supplier.	£27,915
Waiver 1708	Portakabin (Scotland) Limited	Extension to portacabin hire at Russell Road depot until service relocated to Sighthill.	£48,000
Waiver 1709	R & A Software Systems Ltd	Annual licence for existing Council IT Risk Management software.	£7,320

Waiver 1710	Mike Croft	DPEA reporter for Public Hearing, sole supplier via Scottish Government, third party funding.	£40,000
Waiver 1712	Thames Valley Controls Ltd	Single source supplier of lift monitoring software for high rise flats	£12,000
Waiver 1728	N Garner, Freelance Production	Deputy Manager to support organisation of 'Open Streets' Event.	£22,000
Waiver 1729	T Wedderburn, Freelance Production	Event Manager to support organisation of 'Open Streets' Event.	£26,000
Waiver 1731	M McKenzie	Short term contract extension for the recycling of waste wood until procurement undertaken through new Framework.	£30,000
Waiver 1732	AW Jenkinson Woodwaste Ltd	Short term contract extension for the uplift and recycling of waste	£49,000
Waiver 1733	Good Thinking PR Ltd	Booking agent to programme and contract speakers and artists for Council's Cultural Venues.	£28,000
Waiver 1739	Jeremy Gardner Associates	Fire engineering design services for Fountainbridge site via appointed Project Management company.	£24,000
Waiver 1743	Powderhall Bronze Ltd	Sole supplier of approved design of Mortonhall Statue, costs recoverable.	£20,000
Waiver 1747	After Digital	Continuity of IT support to Assembly Rooms website.	£7,200
Waiver 1759	Vodafone Limited	Dedicated internet connection for data services associated with urban traffic signals control room.	£7,211
Waiver 1760	Amey	Maintenance to the A1 and A720 in collaboration with Trunk Road Operator.	£43,800
Waiver 1761	Hamilton Waste and Recycling Ltd	Interim extension to waste contract	£42,000
Waiver 1762	Terra Firma Scotland Ltd	Supply of treatment for invasive and highway weeds on an interim basis	£35,000
Waiver 1769	Dowbrae Limited	Progress and support in consultation on 'Build to Rent' Framework from supplier with specific expertise.	£5,000
Waiver 1770	Keyprint	Single source provider of emergency fire key switches for entry into council properties.	£10,000
Waiver 1771	Sustrans Ltd	Support on City Centre Transformation project.	£47,470

Waiver 1773	Multiple	Re-stock of retail goods to support exhibition.	£24,999
Waiver 1774	3x1 Group	Marketing and PR services for the Assembly Rooms and Church Hill Theatre.	£20,250
Waiver 1776	Interserve FS (UK) Limited	Cleaning services in two multi-story blocks in the North East Locality.	£30,000
Waiver 1789	Q-Free (Bristol) UK Limited	Interim software system for collecting and analysing counter data from pedestrian and cycle counters.	£15,000
Waiver 1790	Edinburgh Art Festival	Membership of the Edinburgh Arts Festival.	£8,000
Waiver 1791	BT Openreach	Analogue private circuits for traffic signals control across the City.	£91,353
Waiver 1792	Cost Effective Catering Limited	Catering and Marquee for the opening of Saughton Park by park cafe operator, best interests.	£9,178
			£3,406,716

Waiver No.	Directorate	Resources	
	Supplier	Justification for waiver	Value
Waiver 1533	University of Edinburgh	Sole provider of ICT solutions developed to support in-house services.	£30,162
Waiver 1555	The Jane Street Company	Printing stationery suppliers, limited availability, required in very short timescale to meet needs.	£10,000
Waiver 1557	Spotless Commercial Cleaning Ltd	Short-term cleaning contract	£8,570
Waiver 1559	Cadassist Ltd	Renewal of maintenance, licence and support package for ICT software - Autodesk.	£21,690
Waiver 1561	Michael Page International Recruitment Ltd	Agency staff support for completion of Internal Audit Plan, not available through contracted supplier.	£40,000
Waiver 1578	Livingston James Limited	Agency staff support for completion of Internal Audit Plan, not available through contracted supplier.	£40,000
Waiver 1580	Deaf Action	Short term to ensure Council compliance with equalities obligations including the BSL community.	£10,000
Waiver 1581	Acorn Services Edinburgh Ltd	Urgency in common repairs to shop unit owned by the Council, costs recoverable from tenants.	£7,284

Waiver 1589	Multiple Framework Suppliers	Short-term contract extension for asbestos surveys and analysis	£150,000
Waiver 1597	Wolters Kluwer UK Limited	Annual hosting and licence fees for bespoke Internal Audit IT software system.	£20,000
Waiver 1604	Addelshaw Goddard	Complex, high value, debt recovery case requiring continuance of specialist legal support from existing provider.	£35,000
Waiver 1607	XpertHR	Market intelligence for compliance, best practice and benchmarking information for HR Function.	£8,446
Waiver 1608	Edinburgh University, Edinburgh Living Lab	Collaboration with Edinburgh University, use of Council assets using their Data Design & Society Methodology.	£49,985
Waiver 1610	Projecting Limited	Requirement for technically skilled resource to provide implementation support to a procured ICT solution.	£68,875
Waiver 1621	IOM	Asbestos surveys required as a matter of urgency.	£23,000
Waiver 1622	NHS Lothian	Staff training in the management and administration of medicines by NHS Lothian pharmacist.	£22,001
Waiver 1637	Zenith Structural	Specialist design scaffold not available through current framework.	£132,000
Waiver 1641	Deaf Action	Extension to BSL interpretation and support contract to allow for future provision options appraisal.	£40,000
Waiver 1651	Powderhall Bronze Ltd	Specialist urgent repair to bronze 'B Listed' statue, best interests.	£8,820
Waiver 1653	CALM Training	Staff training in managing individuals who pose significant risks to themselves and others.	£6,500
Waiver 1663	Livingston James Group	Agency fees, fixed term workforce management specialist, not available through recruitment process.	£9,400
Waiver 1666	Midland HR	Statutory reporting to the Scottish public pensions authority via existing HR payroll system provider.	£7,614
Waiver 1670	Brighter Graphics Ltd	Annual IT CAD software maintenance, property rights.	£6,595
Waiver 1671	RIBA Enterprise Ltd	Annual IT building specification software maintenance, property rights.	£7,175
Waiver 1675	EDP UK	Short-term asbestos surveying to meet statutory obligations due to disruption to existing service.	£55,860

Waiver 1690	St-Vincent's Health and Public Sector Consulting	Continuity extension to support the Asset Management Strategy, janitorial review and system implementation.	£125,000
Waiver 1691	Why Settle	IT database for management of interpretation and translation service, property rights.	£5,200
Waiver 1696	Spotless Commercial Cleaning Ltd	Short term extension for provision of cleaning at Ratho Park, best interests.	£25,000
Waiver 1697	Kayako Ltd	Purchase of IT licences for existing software used across the Council.	£49,000
Waiver 1726	SPIE	Short term CCTV contract extension	£140,000
Waiver 1740	Virgin Media Business	Provision of private data circuit, required for operation, to the Tram team based in Saughton House	£58,000
Waiver 1749	MacKinnon Fencing	Advertising fencing around Fountainbridge site by supplier already working on site, best value.	£28,670
Waiver 1751	Maxi Construction Ltd	One-off urgent requirement for welfare units by contractor already working on site (Queensferry Early Years Centre).	£157,039
Waiver 1752	Veolia ES UK Limited	Supply of electricity and water for Seafield site.	£35,000
Waiver 1755	KC Scaffolding Ltd	Emergency scaffolding to make safe chimney above public footpath.	£6,800
Waiver 1758	In Tend Ltd	Bespoke construction related eTendering System.	£6,964
Waiver 1780	Trust Enterprises Limited	Annual membership to Happy to Translate, printed communication helps support equalities obligations.	£6,600
Waiver 1784	Idox Software Ltd	Annual subscription to Quality Assurance information system.	£25,000
Waiver 1787	Calm Training Ltd	Tailored training to help protect staff dealing with individuals who pose risk to themselves and others.	£8,000
			£1,495,250

Appendix 3 – Contracts awarded under the Waiver of CSOs by Committee approval

The following relate to the period 1 January – 30 June 2019.

Waiver No.	Directorate	Health and Social Care	Value
	Supplier	Justification for waiver	
Waiver 1822	Partners 4 Change	Change management support to the Edinburgh Health and Social Care Partnership (EHSCP) with the implementation of a new operating model.	£92,000
Waiver 1846	Multiple Providers of Care and Support Services for Older People	Extension of Health & Social care contract bundles relating to overnight support, housing support for older people, volunteer support, carers support and other related services.	£5,184,498
			£5,276,498

Waiver No.	Directorate	Place	Value
	Supplier	Justification for waiver	
Waiver 1730	Levenseat Ltd	Short term contract extension for the treatment and disposal of waste from street cleaning and mechanical street sweepings until procurement undertaken through new SXL Framework.	£550,000
Waiver 1819	Siemens Mobility Ltd	Short term contract extension for the maintenance of the city's traffic signals infrastructure, until procurement process complete and new contract in place.	£450,000
Waiver 1765	R Cartwright L Murray S Quinn	Short term contract extensions to provide necessary support to next stage of Building Standards Improvement Plan.	£75,000
			£1,075,000

Appendix 4 – Procurement Programme – Anticipated Regulated Procurements Across the Council

Note: the names of the projects are working titles only. The projects are at different stages of development and therefore subject to change.

Project / Requirement	Services/ Goods/ Works S/G/W	Directorate	Anticipated Value (Range)	Estimated Award Date
Granton Waterfront Development	W	Place	£5m and above	2021/22
Fountainbridge Development	W	Place	£5m and above	2020/21
Housing Property Capital Framework – Domestic repairs, fabric repairs, other trades	W	Place	£5m and above	Mar 2020
Asset Management – service for repairs and maintenance of Council facilities	S/W	Resources	£5m and above	April 2020
Trade Materials and associated services	G/S	HSC	£5m and above	Dec 2020
Housing Support with Care	S	C&F	£5m and above	April 2020
Housing Property Framework	W	Place	£5m and above	Jan 2020
Carers Services	S	HSC	£5m and above	Mar 2020
Silverlea – sheltered housing	W	Place	£5m and above	Jun 2020
Professional and technical services Framework	S	Place	£5m and above	Jan 2020
Residential Schools and supported Accommodation	S	C&F	£5m and above	Jul 2020
Day services for Older People	S	HSC	£5m and above	Jun 2020
Holiday Activity Programme	S	C&F	£2m up to £5m	Oct 2019
Private Sector Leasing	S	C&F	£2m up to £5m	Jan 2020
Bridges and Structures Framework	W	Place	£2m up to £5m	Nov 2019
Cleaning/Clearance for Domestic Properties	S	Place	£2m up to £5m	Mar 2020
Electric Vehicle Charge Installations	W	Place	£0.5m up to £2m	May 2020
Traffic Modelling	W	Place	£0.5m up to £2m	May 2020
British Sign Language services for interpretation and translation support	S	Resources	£0.5m up to £2m	Dec 2019
Tyre Supply & Maintenance	G/S	Place	£0.5m up to £2m	May 2020
Over 90 additional projects at early engagement stage	S/G/W	Various	From £25k and above	2019/20

Finance and Resources Committee

10:00, Thursday 10 October 2019.

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'

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 This report seeks the approval of the Finance and Resource Committee 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. This report has also been submitted to the Education, Children and Families Committee for consideration on 8 October 2019.
- 1.2 The Framework duration will be for 48 months starting from the 1 November 2019.
- 1.3 The total estimated maximum value of call off contracts to the Council, is £4,000,000. This will be dependent on the mix of direct payments and option 2,3 and 4 services agreed with the service user.

Alistair Gaw

Executive Director of Communities and Families

Contact: Sean Bell, Senior Manager, Children with Additional Support Needs

E-mail: sean.bell@edinburgh.gov.uk | Tel: 0131 469 3129

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

2. Executive Summary

- 2.1 Under the Children (Scotland) Act 1995 Local Authorities have a duty to provide for disabled children, young people and their families, in line with their individual needs.
- 2.2 As such it is recommended that the Finance and Resources Committee approve the award of 18 providers to the open Framework, who will provide care and support to Edinburgh's Children and Young People with disabilities and their families, in line with Options 2, 3 & 4 of the Social Care (Self-Directed Support) (Scotland) Act 2013.

3. Background

- 3.1 The Scottish Government introduced The Social Care (Self-Directed Support) (Scotland) Act in 2013. The Act places a legal duty on local authority social work departments to offer people who are eligible for social care, a range of choices over how they receive their social care and support.
- 3.2 Self-Directed Support includes a range of options to ensure everyone can exercise choice and control:
 - 3.2.1 Option 1 – A Direct Payment to the supported person / family
 - 3.2.2 Option 2 – Funding Allocated to a provider of choice
 - 3.2.3 Option 3 – the Council can select and arrange appropriate support on behalf of the supported person
 - 3.2.4 Option 4 – A combination of the above options.
- 3.3 The Integrated Children's Services Plan 2017 – 2020 set out a vision that 'Edinburgh's children and young people enjoy their childhood and achieve their potential' including a number of objectives:

- 3.3.1 Every child and young person will have good wellbeing and achieve the best possible health.
 - 3.3.2 Equity amongst children and young people and their families will be advanced.
 - 3.3.3 Children and young people, their families and their communities will be empowered to improve their wellbeing.
- 3.4 This Open Framework is intended to meet the Scottish Governments requirements for the provision of Self-Directed Support for The City of Edinburgh Council as a local authority to encourage growth in the market place and offer more choice to families. The project will be put in place to offer greater control and accountability over Duty of Care and the price agreed for individual support, including the terms and conditions over how that support is delivered.
- 3.5 As part of this, the current procurement of services supports more than 135 disabled children and young people. In line with self-directed support (SDS) legislation, the support is customised to each individual and is normally contracted for no longer than 12 months at each time
- 3.6 Providers who register to join the Open Framework will have no guarantee of work and the Terms and Conditions of the agreement will only be 'activated' once the supported person chooses to use a specific provider. The contract call-off will be supported by an Individual Support Agreement (ISA) which will be drawn up. This will detail the type and nature of the support to be offered with a clear pricing structure.

4. Main report

- 4.1 In March 2019 a Prior Information Notice (PIN) was published on Public Contracts Scotland (PCS) to invite providers or those with an interest in support services under self-directed support to attend a co-production event.
- 4.2 This event was attended by 19 organisations on 10th April 2019, to fully discuss the upcoming requirement in full, advise organisations of the new process, share draft documents for review and comment and how this would impact the implementation of The Social Care (Self-Directed Support) (Scotland) Act 2013 within Edinburgh. This allowed for a question and answer session and the Power Point presentation was shared with the providers who noted interest.
- 4.3 The proposals were well received by the organisations involved in the co-production event.
- 4.4 On completion of co-production, a contract opportunity was published via PCS for an Open Framework; which allows the Council to re-open the opportunity on a yearly basis to encourage further capacity building. As this is social care type service, the tender was published in accordance with the Public Contracts (Scotland) Regulations 2015 with the Light Touch Regime applied.

4.5 The Framework was split into 6 lots according to the support required;

Category/Lots	Title	Explanation *
1	Short breaks for Children, Young People and their families	These may include but are not limited to daytime, overnight or longer breaks for families or individuals, for example.
2	Activities for Children, Young People and their families	These may include but are not limited to weekly clubs, sports groups or befriending either within specialist provision or in community based activities, for example.
3	Emotional and Mental Health Support for Children, Young People and their families	These may include but are not limited to group and/or one to one work with children or families, counselling, mediation and services to promote good mental wellbeing, for example.
4	Practical Support for Children, Young People and their families	These may include but are not limited to support with personal care within the home, assistance to the family such as a cleaner, sitting services, for example.
5	Support to Young People towards independence	These may include but are not limited to skills based groups such as cooking and handling money, one to one training, travel training, for example.
6	Any other support which the family feel will best support them and has been agreed by the Council.	Anything else which the family request or any other types of support which does not fall into the categories above.

- 4.6 Bids were received from 18 providers. All tenders received were evaluated based on most economically advantageous tender (MEAT), weighted 50:50 for quality and price. Due to the nature of the service families can choose their own support, as such both quality and price were equally weighted. Details of the evaluation criteria can be found in Appendix 1.
- 4.7 All providers were assessed as meeting the quality criteria and the price was based on the proposed rate of support per service user. Scoring breakdown in detailed in Appendix 2.
- 4.8 Please note, allocation on the call off contract to each provider will not be based solely on ranking but also on the service user's specific needs, existing provision and the capacity available from providers.
- 4.9 The designated Contract Manager from Communities and Families will be responsible for monitoring delivery and reporting of Community Benefits by the individual providers.

5. Next Steps

- 5.1 Subject to approval, the services will commence from 1st November 2019, and allow the Council to meet its statutory obligations with regards to the provision of support services to disabled children, young people and their families.
- 5.2 All providers have been kept in communication throughout this process and are aware that award of contract is dependent upon committee approval.
- 5.3 The open framework opportunity may be re-opened on a yearly basis. This will be dependent on circumstances, for example if there is a new provider on the market or a new offer from established providers and / or if there is a better model of provision within the lots.

6. Financial impact

- 6.1 The providers have agreed to a fixed pricing structure for a minimum of 1 year, with price increases being in line with Consumer Price Index. Any intention to amend costs should be made in writing by 1 February prior to each new financial year. There will be an expectation of an open book for this process with a full explanation offered for any proposed price increase. The benefit of this will be easier contract management, clearer expectations and greater financial stability.
- 6.2 The proposals from all providers have been within agreed budget. The SDS budget is £1.005m a year and support commissioned under options 2, 3 and 4 will be managed along with direct payments to ensure total commitments do not exceed the budget available.
- 6.3 Financial assessments have been completed for all providers. Every provider passed the financial assessment, however there will be close monitoring throughout the contract term. In addition, all providers who receive over £500,000 per annum will be added onto the Financial Assessments Monitoring Log.
- 6.4 All providers whose annual value of this contract exceeds £25,000 will be expected to provide Community Benefits as per their tender submissions. This will be monitored through the contract manager within Communities and Families.
- 6.5 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

7. Stakeholder/Community Impact

- 7.1 Stakeholders have been involved in this process. Please refer to 'main body' for full explanation of stakeholder involvement within the process.
- 7.2 An Integrated Impact Assessment has been completed and all recommendations have been addressed throughout the process.

- 7.3 The contracts ensuing from this procurement are mostly with established providers, therefore there will be a reduced learning curve (reduced training requirements). For every supported person, there will be a detailed ISA (Individual Service Agreement) which will be linked to Communities and Families “Edinburgh Wellbeing Outcomes”.
- 7.4 The outcome of awarding these contracts will be to ensure good quality support services under self-directed support for children and young people with disabilities, and their families. The operation will also allow for flexibility of choice under the options of SDS.
- 7.5 No significant environmental impacts are expected to arise from this contract.
- 7.6 This procurement has adhered to police on Sustainable Procurement and Implementing Community Benefits guidance.
- 7.7 The success of these contracts will be measurable against Key Performance Indicators which are detailed within the specification.

8. Background reading/external references

- 8.1 file:///H:/Edinburgh_Childrens_Services_plan_2017_2020_summary.pdf
- 8.2 <http://www.selfdirectedsupportscotland.org.uk/self-directed-support>.

9. Appendices

- 9.1 Appendix 1 Summary of Tendering and Tender Evaluation Processes
- 9.2 Appendix 2 Ranking

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	CT2223	
Contract Period	4 years	
Estimated Total Contract Value (including extensions)	£4,000,000	
Procurement Route Chosen	Open OJEU tender for an Open Framework Agreement	
Call off Contracts to be Awarded	18 awards onto the Open Framework	
Price / Quality Split	Quality 50	Price 50
	Criteria	Weighting (%)
Evaluation Criterion and Weightings	Service Provision	50%
	Outcomes and Monitoring	30%
	Communication and Reporting	20%

Appendix 2 – Ranking

Lot 1 – Short Breaks for Children, Young People and their families.

Supplier	Quality Score 50/100	Cost score 50/100	100% of Tender to Final Score	Rank
The Richmond Fund	40.38	50	90.38	1
The Action Group	35.75	47.92	82.98	2
ENABLE	35.25	45.23	80.48	3
Mochridhe	31.75	47.93	79.68	4
Lothian Autism – Base Camp	34.5	40.13	74.63	5
Lothian Autism - SAT	32.13	39.38	71.50	6
Aberlour	40.13	31.15	71.27	7
FirstHand Lothian	29.38	40.17	69.54	8
Lothian Autism - Respite	27.75	30.28	58.03	9

Lot 2 – Activities for Children, Young People and their families.

Supplier	Quality Score 50/100	Cost score 50/100	100% of Tender to Final Score	Rank
People Know How	44.88	48.89	93.76	1
Capability Scotland	47.75	45.48	93.23	2
Mochridhe	36.63	50.00	86.63	3
Lothian Autism – Base Camp	36.75	41.86	78.61	4
Lothian Autism - SAT	34.00	41.08	75.08	5

FirstHand Lothian	31.63	41.90	73.53	6
Barnardos – Sibling Group	30.63	32.02	62.65	7
Lothian Autism – Respite	28.50	31.59	60.09	8
Barnardo’s – ADS Group	30.63	22.09	52.72	9
Barnardo’s – Holiday 5 hrs	30.63	21.52	52.15	10
Barnardo’s - Holiday 3 hrs	30.63	14.92	45.54	11

Lot 3 – Emotional and Mental Health Support for Children, Young People and their families.

Supplier	Quality Score 50/100	Cost score 50/100	100% of Tender to Final Score	Rank
Link Living	40.13	50.00	90.13	1
Penumbra	45.75	39.64	85.39	2
People Know How	42.38	42.72	85.10	3
Sacro	41.88	33.80	75.68	4
First Hand Lothian	31.00	36.62	67.62	5
Venture Trust – IYF	40.00	18.31	58.31	6
Venture Trust – WT	40.00	12.03	52.03	7
With Kids	39.00	12.30	51.30	8
CrossReach	34.00	13.98	47.98	9
Barnardo’s	23.00	5.82	28.82	10

Lot 4 – Practical Support for Children, Young People and their families.

Supplier	Quality Score 50/100	Cost score 50/100	100% of Tender to Final Score	Rank
The Action Group	39.75	49.24	88.99	1
Mochridhe	33.75	50	83.75	2
ENABLE	38.50	44.31	82.81	3
First Hand Lothian	25.75	41.90	67.65	4

Lot 5 – Support to Young People towards independence.

Supplier	Quality Score 50/100	Cost score 50/100	100% of Tender to Final Score	Rank
The Action Group	44.63	47.20	91.83	1
With YOU	45.63	46.04	91.67	2
Link Living	40.13	47.66	87.78	3
People Know How	38.13	46.86	84.99	4
Richmond Fellowship	34.13	50.00	84.13	5
Capability Scotland	39.50	43.59	83.09	6
Mochridhe	31.25	47.93	79.18	7
Scottish Autism	37.50	40.34	77.84	8
FirstHand Lothian	25.88	40.17	66.04	9
Barnardo's	38.13	15.11	53.23	10

Lot 6 – Any other support which the family feel will best support them and have been agreed by the Council.

Supplier	Quality Score 50/100	Cost score 50/100	100% of Tender to Final Score	Rank
Barnardo's – Parents and Carers	36.00	50.00	86.00	1
Barnardo's – Practitioner	36.00	43.71	79.71	2
Barnardo's – Autism Awareness	36.00	28.65	64.65	3
Barnardo's Sleep	36.00	28.65	64.65	4
Barnardo's Sensory	36.00	28.65	64.65	5
Barnardo's – Learning and Disabilities	36.00	28.65	64.65	6
Richmond Fellowship	38.88	25.09	63.96	7
Scottish Autism	41.75	20.28	62.03	8
The Action Group	36.63	23.73	60.35	9
Mochridhe	34.75	24.09	58.84	10
FirstHand Lothian	30.50	20.19	50.69	11

This page is intentionally left blank

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

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

Executive/routine	Routine
Wards	All wards
Council Commitments	23 , 24 , 25

1. Recommendations

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

Paul Lawrence

Executive Director of Place

Contact: Karen Reeves, Technical Manager – Waste and Cleansing Services

E-mail: karen.reeves@edinburgh.gov.uk | Tel: 0131 469 5196

Finance and Resources Committee

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

2. Executive Summary

- 2.1 The Council has 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. The purpose of this report is to seek retrospective approval to extend this 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.
- 2.2 The procurement of a new mechanical street sweeping and gully waste contract is close to completion, with a new contract expected to be in place from 1 December 2019. It is expected that from 1 December 2019 street cleaning waste will be received at the Council's transfer stations and disposed via the Millerhill Energy from Waste Plant.
- 2.3 The value of this extension is approximately £300,000.

3. Background

- 3.1 Levenseat Ltd was awarded the contract for receipt and processing of street cleaning litter and mechanical street sweeping waste in November 2013 to facilitate efficient processing of waste and improve recycling rates.
- 3.2 This contract expired on 24 November 2018 and, in advance of this, it was the Council's intention to procure future provision via the newly established Scotland Excel Framework for Recyclable and Residual Waste on the basis this national framework will likely offer best value and commercial efficiency in provision. The publication by Scotland Excel of this framework was slightly delayed and, as such, the Council previously undertook a short extension of the contract, via a waiver of the Council's Contract Standing Orders, to ensure continuity of service and ensure the Council could meet its statutory duties. Whilst the initial waiver ended on 31 July 2019, Levenseat Ltd continued to provide the service and therefore the service is seeking retrospective approval to cover the period 1 August to 31 November 2019.

4. Main report

- 4.1 The existing contract with Levenseat Ltd has provided services relating to treatment and disposal of waste from the Council's street cleaning (Lot 2) and mechanical street sweeping activities (Lot 3) as part of a Framework set up in November 2013 to facilitate efficient processing of waste and improve recycling rates.
- 4.2 As part of contract planning for future provision of mechanical sweeping activities, the Council identified that a new national framework agreement was being put in place by Scotland Excel for 'Recyclable and Residual Waste'. This is considered to provide the services required, and, as a national contract, is expected to offer commercial efficiency via economies of scale and thus best value to the Council.
- 4.3 The publication for use of this national framework was delayed until April 2019 and, as such, the Council required to undertake a short extension to the existing Levenseat contract to allow time for the new framework to be available for use and a subsequent tender process undertaken.
- 4.4 This contract expired on 24 November 2018 and was initially extended via waiver, initially under Delegated Authority and subsequently at Finance and Resource Committee ([March 2019](#)) until 31 July 2019. The estimated value of the waiver in totality was £550,000.
- 4.5 The disposal and treatment of mechanical street sweeping and gully waste is currently being procured via the Scotland Excel Framework for Recyclable and Residual Waste, as previously planned. Award of contract is expected early October with an implementation date of 1 December 2019.
- 4.6 As part of reviewing street cleaning service provision, with the Millerhill Energy from Waste Plant becoming operational in April 2019 and the opening of the Council's new waste transfer stations this summer, it was noted that street litter could now be disposed of via this route thus negating the need for a new contract to be put in place. It is anticipated that by disposing of this litter via the Millerhill Energy from Waste Plant, this would offer financial savings to the Council as the cost of disposal would be expected to reduce.
- 4.7 It is expected that there will be a cost reduction for the disposal of street litter in the region of £20 per tonne, equating to an annual saving of circa £120,000 based on current annual tonnage.
- 4.8 It is expected there is also potential for additional savings associated with the rebate mechanism from Millerhill Energy for Waste plant for the ferrous and non-ferrous metal elements of these waste streams. This has not been quantified at this time.
- 4.9 Based on the expected financial savings noted above and the need for continuance of service provision, it is in the best interests of the Council to extend the current contract for a further short period of time to allow these changes in service provision.

5. Next Steps

- 5.1 The services will continue to be provided by the existing provider until the new contract for mechanical street and gully waste is implemented via the Scotland Excel Framework and the Waste and Cleansing Service develop and implement a programme to commence accepting and transferring street litter to Millerhill Energy from Waste Plant. These are expected to be in place by 1 December 2019.

6. Financial impact

- 6.1 The cost of this service is dependent on the level of activity and volume of waste acquired, however the estimated maximum value of this contract extension from 1 August to 30 November 2019 is £300,000. This will be contained within the Waste and Cleansing revenue budget. As noted above, it is expected the Council will make an annual saving in the region of £120,000 through the change in service provision for disposal of street litter once this is implemented towards the end of 2019.

7. Stakeholder/Community Impact

- 7.1 The Council has a statutory obligation under Section 89 of the Environmental Protection Act 1990 to ensure that the land and roads for which it is responsible are, so far as is practicable, kept clear of litter and refuse. Should this contract not be extended the Council could fail to meet this statutory obligation.
- 7.2 Risk of challenge from other suppliers has been assessed as low as the contract extension period is short term to allow for completion of the tender process and provision of a new contract for mechanical street sweeping waste and for the services relating to street litter to be brought 'in house', however it cannot be excluded.
- 7.3 Contract Standing Order 9 provides an option to waive the Contract Standing Orders where the requirement is in the Council's best interest having regard for best value, risk, principles of procurement and the impact upon service users. The publication of the award of business along with the other factors reported will help to satisfy these requirements.
- 7.4 The Council has a statutory duty to report 'non-compliance' of procurement regulation in line with the changes brought in by the Procurement Reform Act 2014. This will be reported within the Council's annual report to the Scottish Government.
- 7.5 Any disruption to service provision would offer risk in relation to Health and Safety, statutory obligations and Council reputation.

8. Background reading/external references

8.1 None.

9. Appendices

9.1 None.

This page is intentionally left blank

by virtue of paragraph(s) 8 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

Document is Restricted

This page is intentionally left blank