

Notice of meeting and agenda

Finance and Resources Committee

10.00am Thursday, 5th March, 2020

Dean of Guild Court Room - City Chambers

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

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1. Order of business

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

2. Declaration of interests

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

3. Deputations

- 3.1 If any

4. Minutes

- | | | |
|-----|--|---------|
| 4.1 | Minute of the Finance and Resources Committee of 23 January 2020 - submitted for approval as a correct record | 9 - 14 |
| 4.2 | Minute of the Finance and Resources Committee of 14 February 2020 - submitted for approval as a correct record | 15 - 18 |

5. Forward Planning

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| 5.1 | Finance and Resources Committee Work Programme | 19 - 22 |
| 5.2 | Finance and Resources Committee Rolling Actions Log | 23 - 42 |

6. Business Bulletin

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| 6.1 | Business Bulletin | 43 - 46 |
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7. Executive Decisions

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| 7.1 | Community Centres - Condition Review and Corstorphine Community Centre – Report by the Executive Director of Resources and the Executive Director for Communities and Families | 47 - 62 |
| 7.2 | Asset Management Strategy Transformation Programme - | 63 - 70 |

Update – Report by the Executive Director of Resources

7.3	Asset Management Works Programme - 2019/20 Update – Report by the Executive Director of Resources	71 - 88
7.4	Extension to Existing Property Repairs and Maintenance Contract – Report by the Executive Director of Resources	89 - 94
7.5	Workforce Dashboard - December 2019 – Report by the Executive Director of Resources	95 - 108
7.6	Health and Safety Performance in 2019 – Report by the Executive Director of Resources	109 - 116
7.7	Sustainable Procurement Strategy 2020-2025 – Report by the Executive Director of Resources	117 - 154
7.8	Revenue Maximisation Project Update – Report by the Executive Director of Resources	155 - 160
7.9	Capital Strategy 2020-30 – Annual Report – Report by the Executive Director of Resources	161 - 186
7.10	Annual Treasury Management Strategy 2020/21 – Report by the Executive Director of Resources	187 - 222
7.11	Edinburgh Local Development Plan Action Programme 2020 – Financial Assessment – Report by the Executive Director of Place	223 - 320
7.12	Edinburgh Living LLPs: Acquisition of Homes 2020/21 – Report by the Executive Director of Place	321 - 330
7.13	Provision of Registrar Services Update – Report by the Executive Director of Place	331 - 336
7.14	Fleet Renewal Programme – Report by the Executive Director of Place	337 - 346
7.15	Framework Agreement for Estates Management Services –	347 - 354

Report by the Executive Director of Place

7.16	Edinburgh International Conference Centre Hotel and Hotel School – Business Case – Report by the Chief Executive	355 - 424
7.17	Award of Support to Establish a Home Framework Agreement – Report by the Executive Director for Communities and Families	425 - 430
7.18	Renewal of NHS Service Level Agreements – Report by the Executive Director for Communities and Families	431 - 436
7.19	Edinburgh PSP Phase Two Extension and Thrive Edinburgh Procurement Process – Report by the Chief Officer, Edinburgh Health and Social Care Partnership	437 - 444
7.20	Waiver for Extension of Managed Print Service – Report by the Executive Director of Resources	445 - 448
7.21	Provision of Lunches and Refreshments for Councillors – Report by the Executive Director of Resources	449 - 452

8. Routine Decisions

8.1	Contract Award and Procurement Programme (Period 1 July to 31 December 2019) – Report by the Executive Director of Resources	453 - 484
8.2	Summary Report on Property Transactions Concluded Under Delegated Authority – Report by the Executive Director of Resources	485 - 506
8.3	Port Edgar Marina, South Queensferry - Proposed Lease Variation – Report by the Executive Director of Resources	507 - 512
8.4	65 Niddrie Mains Terrace, Edinburgh - Proposed Disposal – Report by the Executive Director of Resources	513 - 518
8.5	8-13 Johnston Terrace, Edinburgh - Proposed New Lease – Report by the Executive Director of Resources	519 - 522

8.6	301-303 Cowgate, Edinburgh - Proposed New Lease – Report by the Executive Director of Resources	523 - 526
8.7	Leith Fort Gatehouse, North Fort Street, Edinburgh - Proposed New Lease – Report by the Executive Director of Resources	527 - 532
8.8	25X Lochend Road South, Edinburgh - Proposed New Lease – Report by the Executive Director of Resources	533 - 536
8.9	Former Coach House, Spylaw Park, Colinton - Community Asset Transfer – Report by the Executive Director of Resources	537 - 542
8.10	4 Duncan Place - Community Asset Transfer – Report by the Executive Director of Resources	543 - 554
8.11	North Cairntow Gypsy/Traveller Site – Proposed Transfer to Housing Revenue Account – Report by the Executive Director of Resources	555 - 560
8.12	Land at Meadowbank (Site C), Edinburgh - Proposed Transfer to Housing Revenue Account – Report by the Executive Director of Resources	561 - 566
8.13	Land at Howdenhall Road, Edinburgh - Proposed Transfer to Housing Revenue Account – Report by the Executive Director of Resources	567 - 570
8.14	Proposed Capital Spend for Compliance Works at Sholamoor and Springfield Cottages, Penicuik – Report by the Executive Director of Resources	571 - 576
8.15	Award of Contracts for Supported Bus Services – Report by the Executive Director of Place	577 - 586
8.16	Extension of Contract for Blood Borne Virus (BBV) Step Up/Step Down, Care and Treatment Support Service – Report by the Chief Officer, Edinburgh Health and Social Care Partnership	587 - 590

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 Paragraphs 8 and 9 of Part 1 of Schedule 7A of the Act.

11. Private Reports

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| 11.1 | Tron Kirk, Edinburgh – Report by the Executive Director of Resources | 591 - 598 |
| 11.2 | Marketing Edinburgh – Report by the Chief Executive | 599 - 604 |

Laurence Rockey

Head of Strategy and Communications

Committee Members

Councillors Councillor Alasdair Rankin (Convener), Councillor Joan Griffiths (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 x 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 4107, email veronica.macmillan@edinburgh.gov.uk / rachel.gentleman@edinburgh.gov.uk / sarah.stirling@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.

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Minutes

Finance and Resources Committee

10.00am, Thursday 23 January 2020

Present

Councillors Rankin (Convener), Griffiths (Vice-Convener), Booth, Bruce, Corbett, Hutchison, Johnston, Munn, Neil Ross, Watt and Work (substituting for Councillor Gordon).

1. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 6 December 2019 as a correct record.

2. Work Programme

The Finance and Resources Committee Work Programme as at 23 January 2020 was submitted.

Decision

To note the Work Programme.

(Reference – Work Programme 23 January 2020, submitted.)

3. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log as at 23 January 2020 was submitted.

Decision

1) To agree to close the following actions:

Action 7 (decision 2) – Corstorphine Youth and Community Centre

Action 14 (decision 6) – Corstorphine Community Centre

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log 23 January 2020, submitted.)

4. Business Bulletin

The Finance and Resources Committee Business Bulletin for January 2020 was submitted.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin 23 January 2020, submitted.)

5. Revenue Monitoring 2019/20 – Month Eight Position

Committee considered a report that detailed the projected Council-wide revenue budget position for the year at month eight, based on analysis of period eight data, building on the earlier in-year forecasts reported to the Committee.

An overall balanced position was projected however the need for Directorate expenditure to be contained within approved levels remained critical to the sustainability and integrity of the budget framework.

Decision

- 1) To note that a balanced overall position continued to be projected for the year.
- 2) To note, nonetheless, that Executive Directors and the Chief Officer of the Edinburgh Integration Joint Board would continue to monitor robustly and control proactively expenditure pressures for the remainder of the year.
- 3) To note the balanced projected position on the Housing Revenue Account after making planned contributions towards housing investment.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.
- 5) To agree that Committee Services would circulate the presentation given to the Elected Members ICT and Digital Sounding Board to Committee members.

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

6. Capital Monitoring 2019/20 – Month Eight Position

Details were provided of the capital expenditure and income forecasts for the General Fund and Housing Revenue Account for 2019/20 with explanations for significant variances.

Decision

- 1) To note the projected capital outturn position for the General Fund and Housing Revenue Account at month eight.
- 2) To note the Council's prudential indicators at month eight.
- 3) To refer the report to the Governance, Risk and Best Value Committee for consideration as part of its work programme.
- 4) To clarify the percentage of homes expected to meet Energy Efficiency Standard for Social Housing by the end of the year.
- 5) To agree that officers would investigate whether a different accounting approach could be used other than the current approach of showing slippage on house building projects as a reduction in capital.

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

7. Accounts Commission: Local Government in Scotland – Financial Overview 2018/19

The Accounts Commission had published its annual 'Local Government in Scotland Financial Overview 2018/19' report in December 2019. Information was provided on the key issues and themes identified in the report and how these related to the local context within Edinburgh.

The full report was attached to the report at Appendix 1.

Decision

- 1) To note the report.
- 2) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.
- 3) To agree that officers would liaise with Audit Scotland regarding the information contained in Exhibit 4 of the Audit Scotland report to request that sources of income for local authorities was presented in different format that indicated the extent to which the City of Edinburgh Council was underfunded in relation to other local authorities.

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

8. Resources Directorate – Revenue Budget Monitoring 2019/20 – Month Eight position

Details were provided of the projected eight-month revenue budget monitoring position for the Resources Directorate, based on actual expenditure and income to the end of November 2019 and expenditure and income projections for the remainder of the financial year.

The Resources Directorate was projecting a budget pressure of £0.631m for the 2019/20 financial year and would continue to progress identification and implementation of savings to offset the pressure and achieve an outturn expenditure within approved levels.

Decision

- 1) To note that the Resources Directorate was currently forecasting a budget pressure of £0.631m for the end of the 2019/20 financial year.
- 2) To note that the Executive Director and Heads of Service were continuing to progress the identification of additional savings measures to offset this budget pressure to achieve outturn expenditure in line with the approved revenue budget for 2019/20.
- 3) To note the ongoing risks to the achievement of a balanced revenue budget projection for the Directorate.

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

9. Chief Executive – Revenue Budget Monitoring 2019/20 – Month Eight Position

Committee considered a report that provided details of the projected eight-month revenue budget monitoring position for the Chief Executive's Service, based on actual expenditure and income to the end of November 2019 and expenditure and income projections for the remainder of the financial year.

The Chief Executive' Service was projecting expenditure and income within the approved budget for 2019/20 and would continue to progress delivery of approved savings to achieve outturn expenditure in line with the 2019/20 revenue budget.

Decision

To note that the forecast outturn was in line with the approved revenue budget for the Chief Executive's Service for the 2019/20 financial year as at month 8.

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

10. Annual Report – Debt Write-off

An annual report provided a summary of income streams deemed uncollectable and written off during 2018/19, in line with the Council's Corporate Debt Policy. The policy required an annual summary of in-year write-offs to be reported to the Finance and Resources Committee.

Decision

- 1) To note the sums due to the Council that were written off during 2018/19 and the low value (0.60%) this represented compared to the overall level of income collected.
- 2) To note write off values for 2018/19 (0.60%) were lower than the 2017/18 (0.73%) levels.
- 3) To note that while a debt was written off for accounting purposes, cases would be reviewed, and payment appropriately pursued, if there was a material change in the debtor's circumstances.
- 4) To agree to liaise with policy officers about their engagement with Scottish Government regarding amending policy to allow the Council to more effectively recover parking charge debt.

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

11. Mixed Tenure Improvement Service Pilot

Details were provided of proposals to pilot a Mixed Tenure Improvement Service (MTIS) to support essential repair and maintenance work in mixed tenure blocks as part of the Housing Revenue Account (HRA) Capital Programme.

The pilot would include increased support being made available for home-owners in HRA-led projects to meet the cost of the work. The financial implications on the HRA and General Fund were set out in the report.

Decision

- 1) To note proposals to pilot a Mixed Tenure Improvement Service (MTIS) to help support common repairs and maintenance in blocks where there was a mix of Council and privately-owned homes.
- 2) To note that MTIS was self-financing based on the current financial modelling assumptions across the Housing Revenue Account, General Fund and owners' share of essential repair costs.
- 3) To agree to extended debt repayment terms to the Council's Scheme of Assistance to increase the support available for home-owners in HRA-led projects.
- 4) To agree that the Convener of the Finance and Resources Committee would write to the Scottish Government to request that consideration was given to the provision of low interest finance to private sector landlords to make energy efficiency improvements in mixed tenure blocks from the Scottish Investment Bank that otherwise would not be able to fund these improvements.

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

12. Award of Private Sector Leasing

Approval was sought to award a contract for Private Sector Leasing to assist the Council to fulfil its statutory duty to provide temporary accommodation for homeless households and households at risk of homelessness.

Details of the procurement exercise and proposed contract were provided.

Decision

To approve the award of a contract for Private Sector Leasing to Link Group Ltd to commence on 1 April 2020 for a period of five years with the option to extend for up to a further five years with an estimated total value of £225.9m over the ten years. This comprised lease costs of £173.0m and management fees of £52.9m.

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

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Minutes

Finance and Resources Committee

10.00am, Friday 14 February 2020

Present

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

1. Council's Change Strategy – Planning for Change and Delivering Services 2020/23 - Progress Update

1.1 Deputation by UNISON

The deputation highlighted a number of savings proposals included in the report, including the funding allocation for health and social care, a reduction in senior and middle management and the impact of this on staff and services, and proposals relating to libraries.

There were concerns regarding the impact these proposals would have on staff and citizens, and vulnerable people in particular. The deputation also spoke about the need to continue to pressure the governments for fair funding for local authorities.

1.2 Deputation by EIS

The deputation spoke in relation to the proposals which affected schools and teaching and highlighted the impact that these would have on young people in Edinburgh if they were approved.

These included proposals relating to quality improvement officers, schools' devolved budgets, instrumental music tuition and nursery provision.

The deputation requested that the concerns of EIS were taken into account when the budget was set.

1.3 Report by the Chief Executive and the Executive Director of Resources

An update was provided on the development of the Council's Change Strategy, savings implementation plans and management of service pressures, and proposals based on the provisional 2020/21 Local Government Finance Settlement and later years' current planning assumptions to deliver a balanced budget over the period from 2020/21 to 2022/23.

Decision

- 1) To note the progress updates on the development of the Council's Change Strategy, savings implementation plans and management of service pressures.
- 2) To note the proposals, based on the provisional 2020/21 Local Government Finance Settlement and later years' current planning assumptions, to deliver a balanced budget over the three-year period from 2020/21 to 2022/23.
- 3) To note the draft funding offer assumed for the Edinburgh Integration Joint Board.
- 4) To note the update on the Council's carbon budgeting pilot.
- 5) To note that a further update would be reported to members of the Committee once the final outcome of the Local Government Finance Settlement, including any associated impacts of the 2020/21 UK Budget, was known.
- 6) To agree to refer the report to Council as part of setting the revenue budget on 20 February 2020.

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

Declarations of interest

Councillors Bruce and Dixon declared non-financial interests in the above item as Directors of the Board of Edinburgh Leisure.

2. Council Change Strategy 2020/23: Risks and Reserves

Information was provided on the risks inherent in the revenue and capital budget framework and the range of measures and provisions established to mitigate these. The report also set out the level of reserves held and the purpose for which they were maintained, including consideration of the adequacy of balances held to mitigate against known risks.

Decision

- 1) To note the report.
- 2) To refer the report to The City of Edinburgh Council for approval on 20 February 2020 as part of the budget-setting process.

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

3. Capital Budget Strategy 2020-2030

A report detailed the priorities for Council capital investment over the medium to long-term and setting out a plan on how they could be funded. These included proposed additional funding for the Wave 4 schools programme, additional infrastructure required due to population growth and demography as well as increased investment in the Council's existing estate.

Decision

- 1) To note the content of the report and refer it to the Council's budget meeting on 20 February 2020.
- 2) To note the announcement of the provisional Local Government Finance Settlement on 6 February 2020 had been reflected in Appendices 1 to 3 to the report.
- 3) To note that delivery of funded capital expenditure priorities was dependent on the achievement of a balanced medium-term revenue budget.
- 4) To note the Council was governed by the Local Government in Scotland Act 2003 including the requirement to have regard to the Prudential Code and that capital plans were affordable, prudent and sustainable.
- 5) To note the prudential borrowing requirement of up to £12.600m for Fleet Replacement vehicles.
- 6) To note that budgets for lending to Edinburgh Living from 2020-21 onwards were based on the pipeline of development and would be subject to annual approval from Finance and Resources Committee and Council.
- 7) To note the proposed use of contingency funding for Meadowbank and Boroughmuir High School extension, subject to approval by Council.

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

4. Housing Revenue Account (HRA) Budget Strategy (2020-2030)

Details of the Housing Revenue Account (HRA) budget for 2020/21 were provided, following consultation with tenants.

The report set out an ambitious strategy to deliver investment and improve Council homes to deliver Council commitments on affordable housing and net zero carbon by 2030.

Decision

- 1) To refer the 2020/21 budget, draft five-year capital investment programme, and the rent levels for 2020/21 set out in Appendices 2, 3 and 4 to the report to the Council budget meeting for approval.
- 2) To note the outcome of the annual budget consultation.
- 3) To note the proposed £2.5 billion ten-year investment programme to deliver Council commitments, including 10,000 new affordable homes.
- 4) To note that the cost of achieving net zero carbon in Council housing by 2030 had been built into the business plan.
- 5) To note the risks to the delivery of the HRA budget strategy set out at paragraph 4.31 of the report and the mitigating actions.

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

5. Loans Fund Review

Information was provided on a proposal to revise the Loans Fund debt charge repayment periods, based on a prudent financial management strategy, following the introduction of new regulations.

Decision

- 1) To note the proposal for an amendment to the methodology of calculating loans fund advance repayments for pre-March 2019 advances.
- 2) To note the proposal for an investment of £2m per annum of Loans Fund savings in infrastructure maintenance.
- 3) To refer the report to Council as part of the 2020-23 budget considerations.

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

6. Council Revenue Budget Framework 2020/21 – Integrated Impact Assessments

Details were provided of the main equality, rights, environmental and economic impacts of the 2020/21 budget proposals and recommendations were identified for mitigating potential negative impacts alongside an assessment of cumulative impacts.

Decision

- 1) To agree to pay due regard to the potential equality, rights, sustainability, environmental and economic impacts associated with the revenue budget 2020-2023 proposals for 2020/21, and the recommendations to mitigate potential negative impacts; and consider the cumulative equality, rights, sustainability, environmental and economic impacts across all revenue budget options.
- 2) To refer the report for consideration at the Council budget-setting meeting on 20 February 2020.

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

Work Programme

Finance and Resources Committee

5 March 2020

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
1.	Shared Overnight Support	May 2020		Chief Officer, Edinburgh Health & Social Care Partnership Lead Officer: Moira Pringle 0131 529 3659 moira.pringle@edinburgh.gov.uk		
2.	Procurement Status Update	May 2020		Chief Officer, Edinburgh Health & Social Care Partnership Lead Officer: Moira Pringle 0131 529 3659 moira.pringle@edinburgh.gov.uk		
3.	Adult Sensory Report	May 2020		Chief Officer, Edinburgh Health & Social Care Partnership Lead Officer: Moira Pringle 0131 529 3659 moira.pringle@edinburgh.gov.uk		

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
4.	Estate Wide Masonry Panel Structural Investigations - Progress Report No 2	May 2020		Executive Director of Resources Lead Officer: David Love 0131 529 5905 david.love@edinburgh.gov.uk		
5.	Proposal to declare surplus approximately 380 sqm of ground - strip of land to the rear of Baird Grove, Murrayfield	May 2020		Executive Director of Resources Lead Officer: Frances Maddicott 0131 529 5919 frances.maddicott@edinburgh.gov.uk		
6.	Accounts Commission Challenges and Performance	May 2020		Executive Director of Resources Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk		
7.	Workforce Dashboard	May 2020		Executive Director of Resources Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk	All F&R Committees	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
8.	Framework Adoption and Contract Awards for the Supply of Natural Gas and Supply of Water and Waste Water Services	May 2020		Executive Director of Resources Lead Officer: Paul Jones 0131 469 3607 paul.jones@edinburgh.gov.uk		
9.	Health and Wellbeing - Edinburgh Learns Strategy	May 2020		Executive Director for Communities and Families Lead Officer: Janice Watson 0131 469 3661 janice.watson@edinburgh.gov.uk		
10.	Edinburgh and Midlothian Offender Recovery Service	May 2020		Executive Director for Communities and Families Lead Officer: Suzan Ross 0131 529 7750 suzan.ross@edinburgh.gov.uk		
11.	EV Programme	May 2020		Executive Director of Place Lead Officer: Gareth Barwell / Michael Thain 0131 529 5844 / 0131 529 2426 gareth.barwell@edinburgh.gov.uk /		

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Progress updates	Council Commitments
				michael.thain@edinburgh.gov.uk		
12.	Roseburn to Union Canal - Award of Contract	May 2020		Executive Director of Place Lead Officer: Barry Clarke 0131 469 3827 barry.clarke@edinburgh.gov.uk		
13.	Framework Agreement – Reception, Handling and Transfer of Waste	May 2020		Executive Director of Place Lead Officer: Karen Reeves / Gareth Thomas 0131 469 5196 / 0131 529 3411 karen.reeves@edinburgh.gov.uk / gareth.thomas@edinburgh.gov.uk		
14.	CCWEL	May 2020		Executive Director of Place Lead Officer: Rurighd McMeddes 0131 469 3606 rurighd.mcmeddes@edinburgh.gov.uk		

Rolling Actions Log

Finance and Resources Committee

5 March 2020

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1.	12.06.18	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	March 2020		
2.	04.12.18	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	Executive Director for Communities and Families	May 2019		Recommended for Closure Councillor Miller has agreed that the meeting is no longer required.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			elements of temporary accommodation and to decide thereafter what Committee would be best placed to consider it.				
3.	01.02.19	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	March 2020		<p><u>Update Feb 2020 –</u> Report on agenda for March Committee titled: Update on Corporate Asset Management Strategy</p> <p><u>Update – January 2020</u> Due to the January 2020 meeting focusing on budget this report will be submitted to the next (March) meeting of this Committee.</p> <p><u>Update – November 2019</u> The current Asset Management Strategy is to be superseded</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							through the development of a Council wide Corporate Asset Strategy as recommended through the recent audit of the implementation of the asset management strategy and CAFM system. The framework of the Corporate Asset Strategy is in development and internal approval of the approach is planned for early 2020. Given the importance of these two items, it is considered more appropriate, for an update on the Asset Management Strategy to reported to Finance & Resources committee in Spring 2020, which will allow for a more detailed paper to be presented.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<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> <p><u>Update</u></p> <p>The proposed policy was considered and approved by the Policy and Sustainability Committee on 6th August 2019. The implications arising from this will be included in the next quarterly Asset Management Strategy update to Committee.</p> <p><u>Update</u></p> <p>An update report on the draft Council Advertising and Sponsorship Policy</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							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.
4.	01.02.19	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		Update Jan 2020 Following the decision on the budget by Council, a paper will be produced which outlines how the Council intends engage with citizens on the further development and implementation of year two and three budget proposals. This paper will cover why the Council is adopting this

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>engagement approach with good practice comparators.</p> <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 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.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
5.	30.01.19 (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	March 2020		<p><u>Feb 2020</u></p> <p>The report including information relating to this is on the agenda for March Committee</p> <p><u>Update – January 2019</u></p> <p>Due to the January 2020 meeting focusing on budget this report will be submitted to the next (March) meeting of this Committee.</p> <p><u>Update – December 2019</u></p> <p>Will be included as part of the Asset Management Strategy update reports to Committee.</p> <p><u>Update September 2019</u></p> <p>The next Asset Management Strategy Update Report is due to</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							Committee in January 2020 and these actions will be covered within this report.
6.	15.08.19	Revenue Monitoring 2019/20 Period Three Report	1) To agree that the Executive Director of Place would provide further information regarding Place Management Savings.	Executive Director of Place	January 2020		This information will be issued in advance of Committee on 23 January 2020.
			2) To agree that the Head of Finance would provide a briefing note containing a list of savings that were rejected by the Council's Administration to Committee members.	Executive Director of Resources			Closed
7.	15.08.19	Proposed New Lease, St Brides Community Centre, 10 Orwell	1) To request that the report is continued and is brought back to Committee in one cycle containing further information in	Executive Director of Resources	October 2019		Recommended for closure <u>Update – January 2020</u> It was verbally agreed at Committee that this

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		Terrace, Edinburgh	<p>connection with the proposed lease of St Brides Community Centre to explain:</p> <ol style="list-style-type: none"> 1. The added benefits to the Council and to the community, and any other reasons, that 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>report would be considered as part of a wider report proposing new leases for all community centres following consultation with management committees.</p> <p><u>Update – December 2019</u> Committee on 6 December 2019 agreed to close decision 2) below but to keep this action open.</p> <p><u>Update – October 2019</u> Report on Community Centres, including St Brides, was considered at October Committee</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To note that a report was coming before Committee detailing the roles, remits, costs etc. of Community Centres across the city.		6 Dec 2019	6 Dec 2019	Closed. Report submitted to Committee on 6 December 2019.
8.	10.10.19	Council Change Strategy: Planning for Change and Delivery Services 2019-2023	To note that a further report would be presented to the Committee in January 2020 setting out the implications for the Council of the provisional Local Government Finance Settlement over the period of the budget framework.	Chief Executive / Executive Director of Resources	January 2020		Recommended for Closure Feb 2020 This Report was on the agenda for the February meeting of Committee
9.	10.10.19	Capital Budget Strategy 2020-2030	To note that further reports would be presented to the Committee prior to the Council setting its	Executive Director of Resources	January/ February 2020		Recommended for Closure Feb 2020 This report was on the agenda for the February meeting of Committee

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			budget in February 2020.				
10.	10.10.19	Revenue Maximisation Project Report	To agree that the Executive Director of Resources would provide a further update report to the Committee in March 2020.	Executive Director of Resources	March 2020		<u>Feb 2020</u> This report is currently on the agenda for the March Committee.
11.	10.10.19	Contract Award and Procurement Programme (Period 1 January to 30 June 2019)	To note the contents of the report and the contract awards made by officers under delegated authority. A further report would be submitted to the Committee in approximately six months' time.	Executive Director of Resources	March 2020		<u>Feb 2020</u> This report is currently on the agenda for the March Committee.

12.	06.12.19	Change and Budget Citizen Focus Groups Report	<p>1) To note the summary of focus groups undertaken.</p> <p>2) To note the report would be included as part of the budget papers for Council in February.</p> <p>3) To note that further detail would be provided as to how this detail is reflected within budget proposals as part of the Budget and Change Strategy Report to Finance and Resources.</p> <p>4) To note there were existing engagement groups involving a broad range of young people supported by Communities and Families colleagues and that Strategy & Communications would discuss how these groups could be used to</p>	Chief Executive	23 Jan 2020	23 Jan 2020	<p>Recommended for closure</p> <p>Information included in the Business Bulletin for 23 January</p>
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			<p>further engage the views of young people on the change and budget agenda.</p> <p>5) Information on discussion and outcomes from the Workshop Groups with young people to be included in the Business Bulletin for the next meeting.</p>				
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
13.	06.12.19	Corstorphine Community Centre	1) To instruct Communities and Families officers to consult with the Corstorphine community on a hub model for the Community Centre for inclusion in a wider review of the Community Centre Asset Management Strategy to come forward to Finance and Resources Committee in March 2020.	Executive Director for Communities and Families	March 2020		
			2) To issue a letter of comfort to the Community Centre on the Council's commitment to exploring solutions to the Corstorphine Community Centre	Executive Director of Place		January 2020	Closed. The letter was sent on 14 January 2020

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			project following the consultation.				
14.	06.12.19	The Supply of Liquid Fuel	<p>1) To note that the Scottish Government had established a new Liquid Fuels Contract (SP-19-009) in September 2019.</p> <p>2) To note that the Executive Director of Place, under delegated authority powers, had approved the adoption of the new Scottish Government Liquid Fuels – Contract SP-19-009 for the period 14 October 2019 to 6 December 2019.</p> <p>3) To note that the Executive Director of Place would provide members with clarification on whether</p>	Executive Director of Place		January 2020	Recommended for Closure

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>the call off contracts would require the Council to use a minimum amount of fuel and if there was any significant cost difference between continuing the extension currently in place and signing off the new contracts.</p> <p>4) Thereafter, to authorise the Executive Director of Place, in consultation with the Convener and Vice-Convener, to assess the information requested in 3) above and to either approve the new contracts if it was felt there was no significant risk to the Council or bring the matter back to Committee for decision</p>				

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			if it was felt the cost implications were significant.				
15.	23.01.20	Revenue Monitoring 2019/20 – Month Eight Position	To agree that Committee Services would circulate the presentation given to the Elected Members ICT and Digital Sounding Board to Committee members.	Committee Services	January 2020	January 2020	Recommended for closure Presentation sent to members January 2020
16.	23.01.20	Capital Monitoring 2019/20 – Month Eight Position	1) To clarify the percentage of homes expected to meet Energy Efficiency Standard for Social Housing by the end of the year.	Executive Director of Resources			Feb 2020 Finance colleagues advise that we are aiming for 75% of homes to meet EESH by 31 March and up to 90% meeting this target by 1 December 2020.
			2) To agree that officers would investigate whether a different accounting approach				

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			could be used other than the current approach of showing slippage on house building projects as a reduction in capital.				
17.	23.01.20	Accounts Commission: Local Government in Scotland – Financial Overview 2018/19	To agree that officers would liaise with Audit Scotland regarding the information contained in Exhibit 4 of the Audit Scotland report to request that sources of income for local authorities was presented in different format that indicated the extent to which the City of Edinburgh Council was underfunded in relation to other local authorities.	Chief Executive and Executive Director of Resources			

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
18.	23.01.20	Annual Report – Debt Write-off	To agree to liaise with policy officers about their engagement with Scottish Government regarding amending policy to allow the Council to more effectively recover parking charge debt.	Executive Director of Resources			
19.	23.01.20	Mixed Tenure Improvement Service Pilot	To agree that the Convener of the Finance and Resources Committee would write to the Scottish Government to request that consideration was given to the provision of low interest finance to private sector landlords to make energy efficiency improvements in mixed tenure blocks from the Scottish Investment Bank that otherwise	Convener			

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			would not be able to fund these improvements.				



Business Bulletin

Finance and Resources Committee

10:00am, 05 March 2020

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 Joan Griffiths</p> 	<p>Councillor Gordon Councillor Munn Councillor Bruce Councillor Hutchison Councillor Johnston Councillor Child Councillor Booth Councillor Corbett Councillor Neil Ross</p>	<p>Veronica MacMillan Tel: 0131 529 4283</p>

Recent news

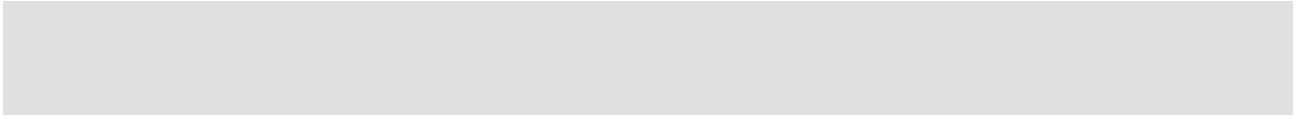
At the Council meeting of 14 March 2019, the EU Registration motion by Councillor McVey was approved. The motion requested that expenditure on provision of assistance by Registration Services to citizens making EU Settled Status applications be monitored and reported through the Business Bulletin of the Finance and Resources Committee.

From a peak of 506 appointments in September 2019 EUSS requests have reduced to 477 in October, 129 in November, 55 in December and 38 to 14 January 2020. A total of 2265 appointments have been taken since the service started in autumn 2018. If they had all been charged at the Home Office suggested rate of £14 each that would equate to £31,710. Unless there is a material change in circumstances this will be the last of the regular updates.

Background

[Robbie Beattie](#), Senior Manager.
Tel: 0131 555 7980

Forthcoming activities



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Finance and Resources Committee

10.00am, Thursday 5 March 2020

Community Centres - Condition Review and Corstorphine Community Centre

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

1.1 That the Committee:

- 1.1.1 Notes the current asset condition status of the Council's community centres;
- 1.1.2 Notes the currently unfunded capital investment required to bring the Council's Community Centre Buildings to a condition 'A' (good condition) standard is estimated to be £13.6m;
- 1.1.3 Notes that Council officers have reviewed the potential for a "hub" in Corstorphine and considers that neither option of relocating the existing Corstorphine Library into the new Corstorphine Community Centre or the Library to the Community Centre site are viable; and,
- 1.1.4 Notes the request from the Corstorphine Community Centre SCIO that the Council commit to taking no action to dispose of Westfield House until the SCIO has determined whether it could feasibly acquire it via a Community Asset Transfer.



Stephen S. Moir

Executive Director of Resources

Contact: Alan Chim, Capital Planning Asset and Manager,

Property and Facilities Management Division

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Alistair Gaw

Executive Director of Communities and Families

Contact: Paul McCloskey, Strategic Manager, CLD Libraries,

Schools and Lifelong Learning Division

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Community Centres - Condition Review and Corstorphine Community Centre

2. Executive Summary

- 2.1 This report provides an update on the current asset condition of the Council's community centres and the estimated costs it would take to bring them to a good condition.
- 2.2 It also provides an update on a request from Committee for Communities and Families officers to investigate the potential of creating a community hub in Corstorphine as part of wider discussions around supporting the development of the new Corstorphine Community Centre.

3. Background

Council Community Centres

- 3.1 The focus of the current five-year asset management works (AMW) programme has principally been on the school estate and the current position on progress is provided in a separate report on this agenda.
- 3.2 The historical programme of AMW could only address priority issues across the estate due to budget limitations. In practice, this meant that investment in community centre buildings has been extremely limited for a substantial period of time with only health and safety critical or 'wind-and-watertight' works carried out mainly via the revenue-based repairs and maintenance budget.
- 3.3 This reduced investment has meant that the condition of the community centres, in particular the external building fabric and the major mechanical and electrical (M&E) elements, has continued to deteriorate over the years. There are a few exceptions where third-party tenants have upgraded elements of the building, under the terms of the lease, although the majority of these works have been restricted to the community centre interiors.
- 3.4 The current condition of community centres represents an increasing health and safety risk to the Council, as their condition will continue to degrade given the previous low levels of capital investment.

- 3.5 The Council is currently undertaking an exercise to identify and assess the risks associated with unregulated occupation by external parties in the Council's operational estate, and community centres are within the scope of that exercise. This highlights the main risk whereby, in the main, the Council is responsible for repairs and maintenance, yet occupation is regulated by the management committee to whom the asset is leased to.
- 3.6 On 6 December 2019, the Finance and Resources Committee noted that approximately £13m of capital works was required, over a period of time, to bring the community centres up to a good condition but that there was no budget available to achieve this within the capital investment programme until financial year 2022/23 at the earliest. There was therefore a risk that some centres may be required to close, due to their condition, in the intervening period. The Committee therefore requested a status update on these issues.

Corstorphine Community Centre

- 3.7 On [6 December 2019](#), the Finance and Resources Committee was advised that there was no Council funding available to fund the development of the Centre either in the current financial year or in the capital budget strategy 2020-30, meaning the Council was unable to fund the project unless it were to divert budget from other projects. This remains the case.

The Finance and Resources Committee agreed the following actions:

- 3.7.1 To note that the estimated costs of delivering the Corstorphine Community Centre were now £2.264m, with a funding gap of £886,000, of which £750,000 was sought from the City of Edinburgh Council.
- 3.7.2 To note that no funds were currently identified in the 2019/20 financial year for the Corstorphine Community Centre and that there was currently no provision for this project in the capital budget strategy for 2020-2030, meaning that the Council could not fund the project unless it were to divert budget from other projects.
- 3.7.3 To note that the Albion Trust had advised the Council that it would not proceed with the redemption of the preference shares in Albion Equity Limited and as such this funding source would not be available for this, or any other project.
- 3.7.4 To note that the Council's strategy for capital expenditure was agreed through the budget setting process due to be reported to Council in February 2020
- 3.7.5 To instruct Communities and Families officers to consult with the Corstorphine community on a hub model for the Community Centre for inclusion in a wider review of the Community Centre Asset Management Strategy to come forward to Finance and Resources Committee in March 2020.

3.7.6 To issue a letter of comfort to the Community Centre on the Council's commitment to exploring solutions to the Corstorphine Community Centre project following the consultation.

3.8 This report updates Committee on the two final actions.

4. Main Report

Council Community Centres

- 4.1 The Council has 39 community centre buildings, although not all of them are presently operational and some are under lease agreements with external third parties.
- 4.2 The Council uses '*Condition Ratings*' on a scale of A to D to assess the condition of the Council's operational assets. The ratings align with the Scottish Government's recommended condition classification methodology 'Core Facts' that was devised for the school estate. The definitions for each of the condition ratings are described in Figure 1. These condition ratings are used by the Council as part of a risk-based approach for future capital planning and investment decision-making. Capital investments are targeted at those buildings/properties with the lowest condition scoring and which present the highest risk to the Council. Appendix 1 illustrates photographic examples of the Council's community centres with a mixture of condition A, B, C & D ratings.

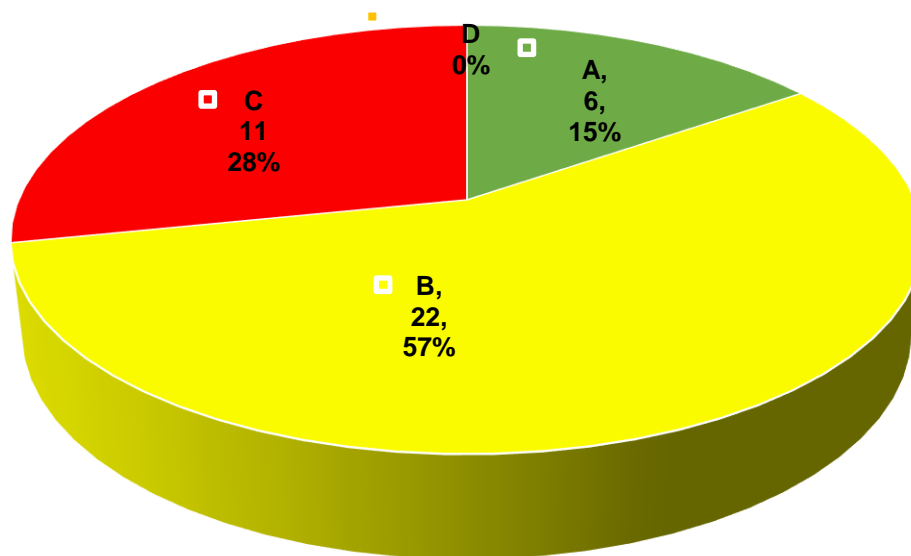
Figure 1- Condition Ratings and Definitions used by the Council

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

- 4.3 The condition of the community centres, and their lease status, is summarised in Appendix 2. This summary includes the overall condition rating and condition score for each community centre as well as the individual major building elements condition ratings. The costs required to bring each building element to a good condition is also indicated.

4.4 The breakdown of condition ratings (on a building level) is indicated in Figure 2.

Figure 2- Condition Ratings Split for the Council’s Community Centres



4.5 The total estimated cost to bring and maintain every major community centre building element to a good condition or A rating is estimated at £13.6m. The breakdown of each building element is summarised in Figure 3.

Figure 3- Summary of Elemental Breakdown of Upgrade Costs

Element Condition Category	Cost to bring Major Elements in each Community Centre to Condition ‘A’- Good (£)
Condition A (Good)	257,556*
Condition B (Satisfactory)	3,332,906
Condition C (Poor)	8,361,915
Condition D (Bad)	1,686,998
Total	13,639,375

* These can be considered as Preventative Costs to maintain the building elements in Condition ‘A’- Good condition

4.6 There are precedents for community centres closing due to poor condition and its unacceptable level of risk, for example Duncan Place closed in 2015 (subject to a separate report on this agenda) and Gracemount Community Centre closed in 2018/19.

4.7 Based on an analysis of the community centres condition alone, the ‘Top 12’ community centres requiring spend are indicated in Figure 4. Spend focuses on mechanical and electrical services upgrade, and the external fabric such as roofs, walls and windows.

Figure 4- Community Centres prioritised for Capital Interventions based on their Condition Ratings

Community Centres prioritised for Capital Interventions (in order of recommended priority)	Community Centre
1	Gracemount Community Centre
2	Southbridge Resource Centre
3	Inch House Community Centre
4	St. Brides
5	Castleview Community Centre
6	Roseberry Hall
7	Craigtinny Community Centre
8	Northfield Community Centre
9	Magdalene Community Centre
10	Pentland Community Centre
11	Portobello Community Centre
12	Clermiston (Munro Centre)

Corstorphine Community Hub

- 4.8 Communities and Families officers have assessed the scope for a “hub” model for the Centre. Internal discussions identified the only significant opportunity in the Corstorphine area as being to co-locate the Centre and the Corstorphine Library on a single site. Two options have been considered: co-locating the services on the Library site at 12 Kirk Loan and co-locating the services on the SCIO’s site at 14 Kirk Loan.
- 4.9 It is not considered that co-locating the services to 12 Kirk Loan is feasible. As the existing Library is a listed building, any development would need to accommodate it which would be highly technically challenging as it sterilises a significant part of the site. The Library service would need to decant during works which would add costs and complexity. The existing Library is not well suited to the contemporary needs of a library service and so would be compromised. Additionally, the Centre at 14 Kirk Loan has already been designed and has planning permission, whereas creating a new hub at 12 Kirk Loan would mean starting afresh, which would add significant time and costs. Overall, it is not considered that this option should be pursued further.
- 4.10 The proposal to locate the library service within the new Centre on the SCIO’s site is also considered unviable. The principal issue is that both functions could not be accommodated without considerable compromise to the services provided. It would be important for the library to have a ground floor, ‘street presence’, but this would displace a significant element of the community centre footprint, most notably the principal community hall. The nature of the library function requires a large open plan space, rather than subdivided smaller spaces. Shared use of spaces was considered but for the community centre to generate sufficient revenue to be

financially sustainable, sufficient space could not be provided for the library at the times needed to support the current pattern of library opening hours.

- 4.11 The SCIO has advised the Council that, if it is unable to secure funding for the Council to deliver the Community Centre on its site at 14 Kirk Loan, it would consider the acquisition of Westfield House, a Council-owned office building at 5 Kirk Loan, via a Community Asset Transfer.
- 4.12 Westfield House comprises a three storey office block extending to 1,442 sq m. It was originally leased by the Council for a period of 25 years at £225,000 per annum. On 16 March 2010, the Finance and Resources Committee approved a business case to purchase the asset for a gross price of £3.01m, which allowed the budget for the passing rent to be transferred to cover the prudential borrowing repayment costs. The current outstanding debt over the property is £2.067m. As part of the Council Asset Management Strategy, it is proposed that Westfield House will be vacated by Spring 2020.
- 4.13 The SCIO has suggested that Corstorphine Library could also relocate into Westfield House via a Hub model. There is a statutory process to be followed for a Community Asset Transfer (CAT). The SCIO has requested that the Council commit to not taking any action to dispose of Westfield House until it has determined whether it could be feasible to acquire the asset.
- 4.14 It is recognised that the SCIO has concerns about timescales due to construction inflation, the risk that it may lose grant funding already secured, and the expectation that it will need to vacate its existing temporary premises in approximately two years' time. As with all community asset transfer requests, officers will seek to assist the SCIO, but it is noted that any decision to relocate the library service would need to be supported by a feasibility study and by community consultation which will inevitably take some time.

5. Next Steps and Challenges

Council Community Centres

- 5.1 Should there continue to be limited investment in the Council's community centres, the risk profile for community centres will increase with each passing year where there is no investment. There will come a time when the risk becomes unsustainable and a decision will need to be made on the asset risk with one of the following options:
1. **Tolerate** the asset risk, accept the community centre condition risk and allow the status quo to continue;
 2. **Transfer** the risk, i.e. by transferring the community centre to a third party via lease, Community Asset Transfer (CAT) or commercial sale of the asset;
 3. **Treat** the risk- through both revenue and capital investments; or

4. **Terminate** the risk, such as closing or disposal of the community centres which present the biggest risk to the Council.

Corstorphine Community Hub

- 5.2 Should the SCIO wish instead to proceed with a bid for a CAT of Westfield House, this would be processed in line with the statutory process.

6. Financial Impact and Risks

- 6.1 In the past two years, £1.3m was spent on safety critical 'wind-and-watertight' works capital spend for community centres. Due to the acceleration of capital works to schools in the first two years of the five-year AMW Programme, and with the 2020/21 AMW Programme capital funding has already been fully allocated to other priority projects such as schools condition improvement works, there is currently no capital investment budget set aside for community centres, until at least financial year 2022/23. This has been acknowledged in the Council's Capital Strategy 2020 – 2030 where the estimated investment appears as an unfunded capital pressure.
- 6.2 The lack of capital investment will increase the risk profile for community centres, until such time the risk becomes unsustainable and closure of some community centres will be necessary to mitigate health and safety risk.
- 6.3 The financial impact of a CAT for Westfield House will have to be considered on its own merits as part of the CAT process. The Council's expectation is that it receives market value for the asset.

7. Stakeholder/Community Impact

- 7.1 The Council's community centres are used by multiple stakeholders and local community groups. Poor condition of the Council's operational estate is currently one of the Council's top risks and capital investment and interventions will help to reduce the risk associated with community centre buildings.
- 7.2 Besides the improvements in condition, any capital investments in community centres will lead to other associated benefits which will ultimately benefit affected stakeholders and local communities, such as:
 - Improved environment and ambience for community centre users and Council staff;
 - Improved asset resilience and future proofing of community centres;
 - Reduction in health and safety incidents;
 - Reduction in risk of unplanned closures of community centres; and
 - Improved operating and thermal efficiency, thereby reducing the Council's running costs and carbon footprint.

- 7.3 Should additional capital funding be allocated to community centres, the capital works would be planned and delivered under the AMW Programme. The main impact on the stakeholders and the community would be the disruption to the community centre operations during the works delivery phase. To ensure the works are delivered in a safe manner and that community centre disruptions are kept to a minimum, there would be active dialogue with the affected community centre's management group and its local community. The worse cases scenario is that the works may require partial closure of the centre or the temporary displacement of community user groups to alternative venues.
- 7.4 There is also an on-going project being undertaken by the Operational Estates Team to establish appropriate legal agreements governing third-party occupation of the Council's community centres with a status report submitted to the 10 October 2019 Finances and Resources Committee.
- 7.5 The Committee had requested that officers consult with the Corstorphine community on the hub model. In the time available, it has not been possible to undertake a full community consultation, but officers have engaged with the SCIO, which has itself carried out significant community consultation. Should the SCIO pursue a CAT of Westfield House , wider consultation would be carried out as part of the process.

8. Background Reading/External References

- 8.1 Please refer to:

[Item 7.15- Asset Management Works Programme- 2018/19 Update \(23 May 2019 Finances and Resources Committee paper\)](#)

9. Appendices

- 9.1 Appendix 1: Photographs of Community Centres in each Condition Category (Categories A, B, C & D)
- 9.2 Appendix 2: Council Community Centres Condition and Status Summary Table

Appendix 1- Photographs of Community Centres in each Condition Category

Example of a Condition 'A' (Good) Community Centre (Overall Building Level)- Tollcross Community Centre



Example of a Condition 'A' (Good) Community Centre (Overall Building Level)- Valley Park Community Centre



**Example of a Condition 'A' (Good) Community Centre Toilet (Building Element Level)-
Royston/Wardieburn Community Centre**



**Example of a Condition 'B' (Satisfactory) Community Centre (Overall Building Level)-
Craigentiny Community Centre**



Example of a Condition 'B' (Satisfactory) Community Centre (Overall Building Level)- Nelson Hall Community Centre



Example of a Condition 'C' (Poor) Community Centre (Overall Building Level)- Inch House Community Centre



Example of a Condition 'D' (Bad) Community Centre Toilet (Building Element Level)- Castleview Community Centre



Example of a Condition 'D' (Bad) Community Centre External Wall (Building Element Level)- Clovenstone Community Centre



Appendix 2- Council Community Centres Condition and Status Summary Table

Property	Lease status	Approx Building Area- GIA	Condition Rating (& % Score)	Roofs	Floors & stairs	Ceilings	External Walls/Doors & Windows	Internal Walls/doors	Sanitary	Mechanical Services	Electrical	Décor	Fixtures & Fittings	External Grounds	Total Estimated Cost
Balerno CC	LEASED	238	B (72)	£6,964.86	£17,947	£1,470	£50,239	£3,829	£14,551	£0	£11,456	£27,434	£18,127	£2,450	£154,468
Bingham CC.	NO LEASE	404	B (70)	£76,579	£6,361	£0	£14,536	£1,087	£23,855	£1,908	£63,935	£17,574	£0	£23,855	£229,689
Braidwood Centre	NO LEASE	291	B (81)	£4,899	£26,128	£1,633	£52,910	£3,592	£24,495	£0	£6,571	£44,909	£5,715	£13,392	£184,244
Cameron House	LEASED	1190	A (92)	£25,923	£0	£0	£18,450	£3,180	£0	£1,591	£1,812	£0	£0	£2,286	£53,242
Carrickvale CC	LEASED	1034	B (83)	£477	£2,544	£2,704	£7,443	£2,337	£2,943	£123,735	£2,869	£43,423	£14,280	£7,157	£209,912
Castle view CC	LEASED IN	966	C (55)	£80,000	£37,168	£54,870	£63,657	£41,987	£31,927	£101,469	£119,700	£42,154	£23,857	£20,302	£617,092
Clermiston (Munro Centre)	NO LEASE	267	C (43)	£52,769	£52,005	£47,712	£68,816	£3,863	£3,865	£10,450	£116,368	£14,858	£0	£0	£370,706
Clovenstone CC	LEASED	377	C (58)	£216	£0	£21,185	£49,363	£8,350	£10,814	£85,883	£19,318	£14,314	£23,857	£6,300	£239,598
Clovenstone CC (Boxing Club)	LEASED -SUB LET	265	C (52)	£55,028	£0	£22,902	£17,337	£5,009	£15,904	£17,494	£0	£19,019	£2,862	£4,725	£160,279
Colinton Mains CC	LEASED	139	B (85)	£27,259	£0	£0	£20,707	£0	£0	£0	£483	£0	£0	£8,206	£56,655
Craigentiny CC	LEASED	1610	B (69)	£205,275	£0	£4,057	£4,057	£0	£4,057	£150,293	£105,832	£23,855	£0	£64,004	£561,430
Fort CC	NO LEASE	100	B (67)	£1,142	£8,165	£244	£0	£327	£816	£39,486	£16,688	£1,907	£924	£101,153	£170,851
Gate 55	NO LEASE	1797	B (62)	£5,409	£14,876	£25,695	£33,134	£7,438	£0	£410,453	£104,093	£21,638	£0	£13,524	£636,260
Gilmerton CC	LEASED	1061	B (79)	£13,356	£55,545	£7,952	£176,357	£5,112	£2,386	£9,541	£16,099	£26,506	£1,591	£48,213	£362,657
Gilmerton CC (Society Hall)	LEASED	235	A (93)	£4,403	£1,842	£239	£4,144	£2,405	£11,381	£3,976	£0	£8,016	£14,314	£477	£51,196
Gorgie War Memorial Hall	LEASED	298	A (95)	£0	£0	£0	£2,943	£317	£28,627	£0	£28,682	£0	£0	£9,542	£70,112
Gracemount CC	CLOSED	819	C (41)	£166,867	£134,740	£175,384	£241,347	£170,207	£133,596	£102,582	£87,021	£108,149	£61,887	£309,463	£1,691,242
Hillwood CC (Norwood)	CEC Managed	527	B (79)	£0	£26,306	£0	£1,066	£56	£3,020	£0	£814	£19,546	£2,624	£17,637	£71,067
Inch House CC	LEASED	1845	C (57)	£57,232	£10,337	£106,100	£134,392	£54,110	£21,371	£229,021	£261,088	£48,726	£0	£12,293	£934,670
Jack Kane CC	LEASED	1011	B (81)	£0	£15,745	£0	£6,200	£1,857	£2,225	£55,059	£0	£24,555	£317	£6,948	£112,907
Juniper Green CC	LEASED	422	C (57)	£95,425	£36,580	£795	£109,739	£11,133	£10,337	£0	£12,724	£14,314	£2,863	£15,110	£309,019
Kirkliston CC	NO LEASE	815	B (66)	£97,003	£1,591	£24,343	£12,075	£0	£0	£96,856	£6,628	£7,245	£8,453	£36,104	£290,298
Leith CC	LEASED	1679	B (79)	£32,922	£49,796	£12,724	£19,085	£5,272	£6,917	£135,026	£3,276	£1,621	£0	£0	£266,639
Magdalene CC	NO LEASE	219	B (60)	£107,353	£31,967	£76,339	£2,147	£6,679	£23,855	£0	£42,667	£24,969	£0	£89,859	£405,836
Moredun CC	LEASED	146	C (59)	£36,906	£4,899	£16,331	£34,293	£17,962	£24,495	£11,758	£21,000	£6,533	£4,899	£65,321	£244,398
Nelson Hall	NO LEASE	781	B (75)	£23,597	£8,165	£4,082	£3,021	£5,111	£0	£327	£1,633	£20,478	£228	£33,231	£99,873
Northfield CC	LEASED	729	C (57)	£9,169	£41,033	£42,941	£49,461	£4,867	£38,171	£120,077	£8,111	£55,665	£35,784	£19,986	£425,264
Pentland CC	LEASED	873	B (64)	£3,500	£18,274	£6,585	£62,185	£5,169	£0	£240,154	£48,421	£5,287	£11,928	£1,282	£402,784
Portobello CC	LEASED	597	B (79)	£36,195	£46,174	£32,998	£48,107	£62,185	£33,844	£102,582	£0	£0	£0	£18,703	£380,787
Rannoch CC	LEASED	407	B (70)	£104,094	£3,657	£4,453	£11,928	£7,332	£31,808	£7,953	£14,314	£44,532	£15,110	£28,102	£273,281
Roseberry Hall	NO LEASE	922	C (60)	£178,897	£41,642	£33,313	£101,656	£26,210	£48,991	£27,925	£121,268	£20,666	£0	£6,327	£606,895
Royston/Wardieburn CC	LEASED	1130	A (87)	£3,576	£9,798	£441	£6,712	£1,633	£163	£0	£816	£51,020	£33	£12,068	£86,258
Southbridge Resource Centre	NO LEASE	2075	C (52)	£46,297	£86,142	£61,481	£67,692	£18,998	£242,935	£372,329	£295,087	£105,180	£36,743	£145,486	£1,478,368
Southside CC	LEASED	1012	B (83)	£160	£15,491	£1,591	£3,976	£1,431	£0	£8,048	£139,642	£46,023	£0	£2,370	£218,731
South Queensferry CC	LEASED	205	B (69)	£5,105	£32,285	£22,255	£460	£19,688	£26,250	£2,784	£734	£12,373	£0	£0	£121,933
St. Brides	LEASED	1063	B (60)	£10,847	£31,650	£31,808	£17,177	£48,985	£38,170	£447,901	£120,522	£39,760	£23,855	£15,268	£825,941
Tollcross CC	NO LEASE	411	A (86)	£0	£9,144	£0	£8,461	£113	£0	£715	£785	£11,663	£0	£4,200	£35,083
Valley Park CC	LEASED	1141	A (86)	£3,180	£4,136	£437	£5,804	£405	£0	£6,361	£0	£32,464	£4,055	£597	£57,440
Wardie Residents Club	LEASED	433	B (70)	£15,110	£0	£0	£105,224	£0	£47,713	£4,226	£0	£0	£0	£0	£172,272
Total		29877		£1,593,134	£882,133	£845,061	£1,636,300	£558,237	£909,481	£2,927,960	£1,800,452	£1,006,373	£314,305	£1,165,939	£13,639,375

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Finance and Resources Committee

10.00am, Thursday 5 March 2020

Asset Management Strategy Transformation Programme - Update

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 The Finance and Resources Committee is recommended to:
- 1.2 Note the update on the component parts of the Asset Management Strategy Programme and approves to close this programme and associated reporting arrangements.
- 1.3 Notes the strategic direction of travel for the future associated with a Land/Asset Commission and approach and service design led programme, with a report to be submitted to Committee on this revised approach in May 2020.

Stephen S. Moir

Executive Director of Resources

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Asset Management Strategy Transformation Programme – Update

2. Executive Summary

- 2.1 The Council's 2015 Asset Management Strategy (AMS) and the associated transformation programme were developed to create a credible, focused and financially sustainable delivery plan for the Council's operational and commercial property estates, as well as the in-house delivery teams within the Property and Facilities Management (P&FM) Division.
- 2.2 This report presents an update on the current position of the AMS.

3. Background

- 3.1 The Asset Management Strategy (AMS) and associated transformation programme is part of the wider Council Change Portfolio, aimed at achieving more effective and efficient use of the Council's asset base and associated service provision, primarily Facilities Management.
- 3.2 There have been numerous reports to Committee following the approval of AMS, on 24 September 2015, as detailed in section 8.
- 3.3 The purpose of this report is to finalise the outputs from the AMS in the context of wider saving requirements; seek acknowledgement of the strategic direction of travel of the wider property portfolio and endorsement to how the Council will achieve financial sustainability in property costs in the future. This report should be read in conjunction with the Asset Management Works Programme and Community Centre Maintenance Costs reports on the agenda of this meeting.

4. Main report

4.1 Estate Rationalisation and Service Design Workstream

- 4.1.1 The main achievements to date of the Estate Rationalisation workstream of the AMS have been:
 - The exit of Lothian Chambers and relocation of services into the City Chambers complex and entering into a long lease with the French Consulate;

- The exit of 329 High Street, with the relocation of staff into the remaining City Chambers complex and resulting long lease of the building;
- The release of former Advice Shop space at 249 High Street (City Chambers complex) to rent out to Visit Scotland and the lease of office accommodation to the same party;
- The exit of the leased-in property at 1a Parliament Square and relocation of the Homelessness Service into neighbourhood offices;
- The exit of the Health and Social Care Partnership from the Bonnington Office, relocating them to neighbourhood offices and leasing the space to the Tram Extension Project Team; and,
- The rental of space in Waverley Court to CGI UK Limited to attract an income stream.

4.1.2 In addition, work is well underway to exit Westfield House by June 2020. These proposals have created savings of £1.2m pa and £7m of capital receipts. It is not coincidental that that all these projects are part of the Council's office accommodation portfolio.

4.1.3 In tandem with the above, significant savings and capitals receipts have been generated through the depot strategy which, subsequent to the AMS, were ringfenced for reinvestment in that portfolio creating a double count with the original AMS assumptions. This approach has now also been approved for the collections and culture estates.

4.1.4 Work in this area continues principally through a service design approach, based on a co-design of solutions focusing on both data and localised engagement with service deliverers and users. To date, the focus has been on areas of change where there is an investment catalyst such as new school. However, the indications are that this may offer a solution to minimising future budget pressures associated with infrastructure growth, rather than creating savings against current budgets.

4.1.5 There are currently four specific projects under consideration through this approach and a quick update is as follows:

- Gracemount - local members have been briefed on the outcome of the engagement process. Schools engagement has begun on the new St Catherine's Primary School to test the principles of a community hub type development.
- Currie - the feedback from the community engagement in Currie highlighted the desire for use of sports facilities more than social spaces and for the use of facilities at weekends and evenings. The outcome is now being fed into the strategic brief and the design development for the new Currie High School. Updates will be progressed through the Education, Children and Families Committee.

- Wester Hailes a place plan is being developed by the community in Wester Hailes. The Chief Architect from the Scottish Government has been seconded to Place to assist the community to develop this. No further engagement is recommended until the outcome of this is reached at which point proposals on the next steps will be agreed with Place services; and,
- Trinity Academy Phase 2 – a strategic brief is underway and community engagement will be co-ordinated via the Communities and Families Directorate. The potential for release of surplus accommodation will be considered as part of this.

4.2 Investments Workstream

- 4.2.1 This workstream achieved all financial targets set by the AMS, albeit not through how the strategy recommended. Income maximisation has continued to be the focus of the management of the portfolio with the wider strategy approved by Committee on 23 May 2019.
- 4.2.2 Current targets include maintaining a void rate below the target level of 7% (consistently under 4% monthly) and managing un-forecast financial pressures such as the collapse of Jamie's Italian restaurant, leading to a loss of expected lease income.

4.3 Facilities Management (FM) Workstream

- 4.3.1 The modernisation of the FM service continues with the recent completion of an organisational review of the Council's 750 strong cleaning service. This review, coupled with the cleaning supervisors review which concluded in Autumn 2019, has resulted in a re-organisation and re-alignment of service provision across the City, whereby staffing and technical resource can be better matched to individual building need based on the introduction of the British Institute of Cleaning Science (BICS).
- 4.3.2 As with earlier reviews of the Council's in-house FM service provision, the review of the cleaning service will be complemented by the introduction of a Service Level Agreement (SLA) and associated Key Performance Indicators (KPIs) to allow for meaningful performance measurement which will be regularly reviewed and reported on at a standing meeting held between the Communities and Families Directorate and FM staff which was established to consider performance and operational issues for the main 'client' Directorate.
- 4.3.3 The cleaning service, as part of FM, has recently been awarded the ISO (International Organisation for Standardisation) 9001 and the Occupational Health and Safety ISO 45001 certification. The ISO 9000 and 45001 family of quality management systems standards are designed to help organisations ensure that they meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements.
- 4.3.4 The award of both certificates followed a rigorous multi stage external audit of the cleaning service's integrated quality and performance management systems. This included the review of the overall quality and Occupational Health and Safety management systems.

4.3.5 The upskilling of the janitorial workforce through the introduction of technology and modernised ways of working continues to produce benefits including enabling staff to carry out minor repairs and maintenance duties in schools and community centres which previously would have been reported to the helpdesk and commissioned via external contractors.

4.4 **Conclusions**

4.4.1 The AMS has reached the end of its programme and while significant benefits have been achieved, such as the Asset Management Works report elsewhere on this agenda, the major issues that have subsequently manifested have to be acknowledged and addressed for the future strategy or else there is a risk of making the same mistakes.

4.4.2 There is a direct correlation between the size of the Council's property portfolio and the increasing financial pressures associated with staffing, maintaining and repairing these properties. The starting point is therefore an acknowledgement and agreement from Committee that the strategic direction for the Council's property portfolio is one of significant growth with a further 1.2m square feet of accommodation already approved and onsite or in design for delivery over the next 2 years. This trend is forecast to continue beyond this timeframe.

4.4.3 The second main acknowledgement is that revenue savings from the education, depots, collections and cultural elements of the property estate are not available as new savings, effectively reducing the revenue opportunities currently available by approximately 75%.

4.4.4 While pursuing one-off opportunities in the less contentious buildings, such as Bonnington Resource Centre and Westfield House will continue in practice, the main focus has to be how the Council can facilitate service re-provisioning and redesign, enabling the disposal of surplus buildings by making better and multipurpose use of the newer accommodation it is building. The service design approach aims to focus on the services itself, not the buildings that accommodate them, and engender greater community ownership of emerging proposals. It seeks to facilitate a "community hub" approach where multiple services are hosted in and delivered from of a single property. In theory, savings can be created where existing services can be relocated and reprovisioned via a new hub and their former buildings closed. To date, service design has focussed on areas of change where there is an investment catalyst, such as new school, and it should be noted that service design may offer a solution to minimising future budget pressures associated with infrastructure growth, rather than creating savings against current budgets.

4.4.5 The response to the above, the Council's Chief Executive has established a Land/Asset Commission with partnership agencies, attended by senior officers from the Council, Scottish Futures Trust, Scottish Government, NHS Lothian, Police Scotland, the Scottish Fire and Rescue Service, Scottish Enterprise and Edinburgh University. The focus is to work together to deliver outcomes led, place making opportunities that join up service delivery and estates rationalisation opportunities between strategic partners.

4.4.6 Meetings have already taken place and a sub group established between the strategic partners to focus in upon emerging opportunities. It is proposed to bring a report on the proposed structure, activities and outputs to Committee at next cycle in May 2020.

5. Next Steps

- 5.1 The AMS business case identified significant financial and non-financial benefits associated with the asset management and Property and Facilities Management function that are in line with the wider objectives of the Council's Transformation Programme. Other options for estate rationalisation are being pursued through the Council's Change Strategy, including Depot Review, Storage Efficiency measures and Cultural Venue Consolidation.
- 5.2 The rationalisation and FM transformation elements of the AMS will be subject of a closure report to the Change Board with the Investments workstream already closed and adopted as business as usual moving forward.

6. Financial impact

- 6.1 The initial AMS target was to achieve recurring savings of £6.2m pa by 2020/21.
- 6.2 As previously reported, in year additional savings of £1.339m were added for financial year 2018/19, and a further £2.996m for F/Y 2019/20 and finally proposals for £1.123m for F/Y 2020/21. The current RAG status is forecast in the table below:

AMS WITH OTHER SAVINGS, FORECAST SAVINGS AND PRESSURES	2016/17	2017/18	2018/19	2019/20	2020/21
SAVINGS TARGETS	800	1.600	7.032	10.535	9.658
RED	55	0	3.106	2.527	1.827
AMBER	15	0	0.943	1.85	0.85
GREEN	730	1.600	3,023	6.158	6.981
TOTAL	800	1,600	6,827	10.535	9.658

7. Stakeholder/Community Impact

- 7.1 Engagement across the Council and with wider stakeholder groups has been and continues to widespread in relation to the re-design of the FM function.
- 7.2 Regular co-ordination meetings are held with Communities and Families representatives in respect of the ongoing AMW Programme.

- 7.3 The service led design approach has engagement and communication plans approved by the Programme Board prior to any community engagement or consultation taking place.
- 7.4 No negative impacts or sustainability issues will arise from this report.

8 Background reading/external references

- 8.1 Please refer to: [September 2015](#), [November 2015](#), [January 2016/March 2016](#), [June 2016](#), [September 2016](#) (item 7.2) [December 2016](#), [February 2017](#), [January 2018](#), [June 2018](#), [September 2018](#), [February 2019](#), and [August 2019](#) Finance and Resources Committee papers.

9 Appendices

- 9.1 None.

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Finance and Resources Committee

10.00am, Thursday 5 March 2020

Asset Management Works Programme – 2019/20 Update

Item no.	
Executive/routine	Executive
Wards	All
Council Commitments	

1. Recommendations

1.1 That Committee:

- 1.1.1 Notes the continuing positive impact of the Asset Management Works (AMW) Programme on the Council's operational estate, by creating much improved environments for users, particularly primary schools;
- 1.1.2 Notes the improvement in condition of the operational assets and the benefits it brings to the stakeholders, with an estimated 6% improvement in building condition over the past two years and that this will accelerate during 2020/21;
- 1.1.3 Notes the 2019/20 spend up to end December 2019 has already exceeded the planned 2019/20 budget with a current spend of 122% against budget; and a forecast outturn of 140% by end March 2020, covered by accelerating budgets;
- 1.1.4 Notes the main challenges encountered, the main risks in the future and the measures being taken to mitigate these risks; and
- 1.1.5 Notes the forecast additional funding beyond the current programme proposed in the Capital Budget Strategy to ensure progress can be maintained.

Stephen S. Moir

Executive Director of Resources

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Asset Management Works Programme – 2019/20 Update

2. Executive Summary

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

3. Background

- 3.1 The Council's operational estate has grown organically over the years and is diverse, with assets of different functions, age, design and condition. The volume of buildings, coupled with a legacy of underinvestment, has resulted in a complex portfolio of buildings in varying condition. Pre-2018, the historical programme could only address priority issues due to budget limitations.
- 3.2 The situation has been compounded by poor asset information covering both the older 'legacy' buildings and new buildings. Until recently there has been a lack of accurate management information on the condition of the Council's operational buildings which is needed to determine the capital investment to bring them to a safe, dry, legal and operable condition.
- 3.3 To improve the Council's management information and forward planning capability, a comprehensive condition survey of the Council's entire operational estate was commissioned and completed in 2017. The outcome of this process was the approval of a total budget of £193m over five years to address the Council's operational buildings asset condition issues; to deliver the AMW Programme; and to implement a new planned preventative maintenance (PPM) programme.
- 3.4 The AMW Programme was approved in January 2018 with a five-year capital budget totalling £118.7m to identify, plan, commission and deliver the capital Asset Management Works. The financial impact of the programme is covered under section 6 of this report and is summarised in Appendix 3.

4. Main Report

- 4.1 The AMW Programme has been developed to achieve two main objectives:
1. To stabilise asset condition and ensure safe, legal and dry assets and to 'catch up' on the backlog of maintenance, improving the risk profile for the estate; and
 2. To upgrade and improve the asset condition rating and building user environment of the Council's operational estate.
- 4.2 The AMW Programme is now approaching the end of the second full year of delivery of the five-year programme. At this stage of the programme, the indications are positive with examples of the programme's completed works having a significant impact on asset condition and improving the user environment.

Asset Condition Ratings and Prioritisation of Investment

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

Figure 1- Asset Condition Ratings and Definitions

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

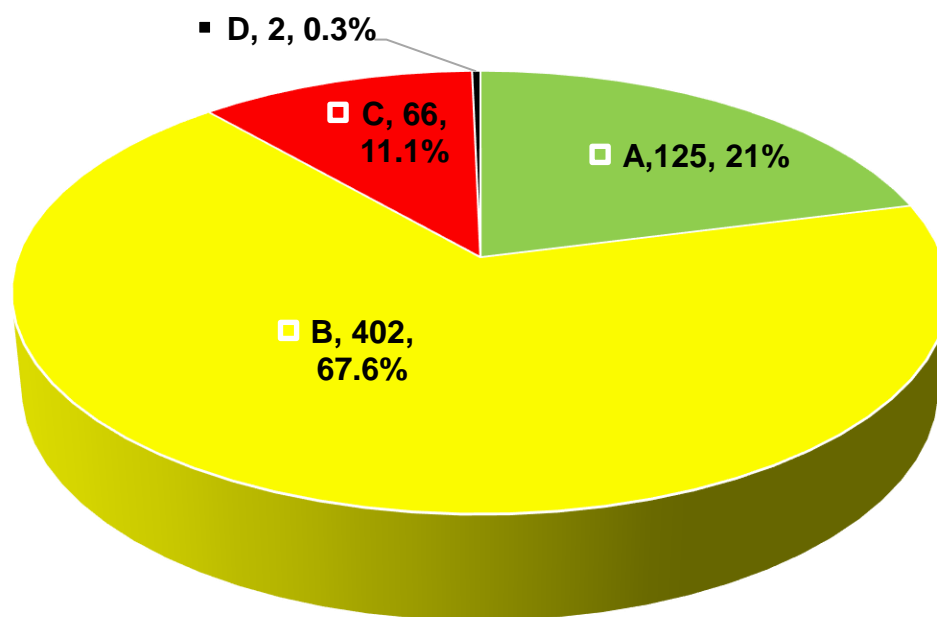
- 4.5 The asset condition ratings are used as part of a risk-based approach for future capital planning and investment decision-making. Capital investments are targeted at those buildings/properties with the lowest condition scoring and which present the highest risk to the Council. Accordingly, the vast majority of the buildings included in the first and second years of the programme have been C condition. There are only two D condition buildings remaining, one being an external store in the depots estate and another is a public toilet. Both of these are being dealt with separately through a depots and public toilets review respectively.

4.6 Currently, the Council has 595 buildings in its operational estate (inclusive of PPP/DBFM properties) and the condition ratings are summarised in Figure 2 which shows the condition position to the end of December 2019:

- Condition A (good)- 125 buildings or 21%
- Condition B (satisfactory)- 402 buildings or 67.6%
- Condition C- (poor)- 66 buildings or 11.1%
- Condition D- (bad)- 2 buildings or 0.3%

Of the 595 buildings, 563 are maintained by the Council and 32 buildings are maintained by third parties under the Council’s PPP and DBFM contracts.

Figure 2- Asset Condition Ratings Split for the Council’s operational buildings/properties



4.7 The breakdown of the condition ratings for the three main operational buildings/properties classifications of schools estate buildings, community assets/buildings and ‘other’ buildings are summarised in Figure 3.

Figure 3- Asset Condition Ratings Split for Schools, Community and Other buildings/assets

In Condition	A	B	C	D	Total
Number of Schools buildings	61	266	28	0	355
Number of Community Assets	21	58	10	0	89
Number Other Buildings	43	78	28	2	151
Total	125	402	66	2	595

4.8 In addition, there are 47 operational buildings operated by Edinburgh Leisure. The service delivery and day to day maintenance of these buildings is the responsibility of Edinburgh Leisure, however, the terms of the current lease allow Edinburgh Leisure to seek contributions from the Council for any major capital upgrade. Provision was made within the programme to cover this obligation and examples of

Edinburgh Leisure properties which were refurbished with capital contributions from the Council are included in Appendix 2.

- 4.9 The programme also includes generic upgrade and improvement works across the estate including fire services upgrade works, water upgrade works, energy management improvements and upgrades and structural improvement works.

2019/20 AMW Programme Update

- 4.10 Now in its second year, the programme has delivered significant improvement in the condition of the estate already. There has been close to a 6% increase in the number of buildings in good or satisfactory condition, illustrated in Figure 4 below. Many of the projects commenced in the first year had a two-year duration and the benefit of these works is now being demonstrated. There are another 15 ongoing projects currently scheduled for completion in the period January 2020 to March 2020 and it is expected that the A and B condition ratings percentages will increase significantly upon completion of these projects during 2020/21.

Figure 4- Comparison Table of Operational Properties Condition Ratings in 2018/19 and 2019/20 (to end Dec. 2019)

	2018/19 Percentage	2019/20 Percentage (to end Dec. 2019)	% Difference between 2018/19 and 2019/20
Condition A (Good)	20%	21%	+1%
Condition B (Satisfactory)	62.7%	67.6%	+4.9%
Condition C (Poor)	17%	11.1%	-5.9%
Condition D (Bad)	0.3%	0.3%	No Change

- 4.11 Despite the programme having to overcome significant mobilisation challenges within a restricted timeframe, a significant number of operational properties have had works carried out in 2019/20, with 50 AMW Programme projects scheduled for completion in 2019/20, illustrated in Appendix 1.
- 4.12 As with 2018/19, the majority of the 2019/20 works have focused on upgrading primary schools, although extensive works were carried out to other operational buildings. The types of works are varied and are tailored for each building based on its condition. Works carried out in 2019/20 range from external fabric enhancement works, such as roof and curtain wall/windows upgrades; mechanical and electrical improvements; internal fabric enhancements and toilet upgrades. A selection of photographs from some of these completed projects illustrating these upgrades can be found in Appendix 2.
- 4.13 The volume and scale of the programme requires significant interventions in the building fabric and services for each affected property. It has not been possible to restrict this scale of works to the school holidays for the school estate and the schools work programme has continued over term time. In some instances, the

programme for each property runs over a two-year period or longer. However, the benefit of the short-term disruption can already be seen in the quality of the long-term environmental improvements.

- 4.14 The 2019/20 'Top 10' ongoing and completed projects in the order of the highest spend are indicated in Figure 5.

Figure 5- Top 10 ongoing and/or completed AMW Programme sites in order of highest capital spend

2019/20 'Top 10' ongoing and/or completed projects by highest capital spend	AMW Project Site
1	Queensferry PS
2	Balgreen PS
3	Craiglockhart PS
4	Clermiston PS
5	Gracemount PS
6	Gilmerton PS
7	Ratho PS
8	Fox Covert PS
9	St Ninians PS
10	Kirkliston PS

Looking Ahead to the 2020/21 Programme

- 4.15 The planning and programming of projects in 2020/21 is still ongoing but there are at least 24 on-going projects which are targeted for completion in 2020/21 and another 13 new projects which are scheduled to commence in 2020/21.
- 4.16 The 'Top 10' planned AMW Programme projects in order of the highest spend are indicated in Figure 6. The trend in 2020/21 is very much a continuation of the priority to address the schools estate, in particular primary schools, but as schools are addressed there are now some libraries which have been included in the 2020/21 programme.

Figure 6- Top 10 planned AMW Programme sites in order of highest capital spend

2020/21 'Top 10' planned AMW projects by highest capital spend	AMW Project Site
1	Balerno HS
2	Leith Academy
3	Craigentiny PS
4	Longstone PS
5	Dalmeny PS
6	Colinton PS
7	Buckstone PS
8	Flora Stevenson PS
9	Dalry PS
10	Crammond PS

- 4.17 Upon completion of the 2020/21 AMW Programme, any remaining condition C-rated properties will be considered for inclusion in the 2021/22 AMW Programme of works. It is expected that by end 2021/22, almost all of the buildings/properties targeted for capital investment will be in the condition B-rated satisfactory category. Focus will then be to ensure that buildings do not subsequently deteriorate into C (poor) condition.
- 4.18 Moving forward the approach undertaken during the planning of capital works interventions not only aims to improve the condition of buildings and their performance but to embed energy efficiency improvements wherever possible. Examples of AMW works already being delivered which not only improve asset condition/performance but which will also bring about energy efficiency improvements are:
- Replacement of buildings roofing systems and wall cladding systems with better insulation and U-values to minimise heat/energy loss and which would lead to more energy efficient buildings;
 - Installation of more energy efficient boiler and heating systems and enhanced controls across the estate which allow central monitoring and control of heating within operational properties;
 - Installation of energy efficient LED lighting systems when retrofitting or replacing existing lighting systems; and
 - Installation of energy efficient double-glazed window systems where possible when windows are being replaced.
- 4.19 The AMW Programme Planning and Delivery teams have been, and will continue to, work closely with the Council's Energy Management and Sustainability Team to ensure synergies between energy efficiency improvements and the development of the AMW programme and the broader Council Sustainability Programme and our contribution to the work of the Edinburgh Climate Commission.

5. Next Steps and Challenges

- 5.1 Considerable preparation for the 2020/21 programme has already taken place, with all the new projects in 2020/21 being fully committed, commissioned and with design development of individual projects well underway. The first significant window for disruptive works in the schools will be the Easter holidays, although many projects are continuing over the course of the year, where they can co-exist with an operational school environment.
- 5.2 Steps have already been taken by the project delivery teams with respect to the required increase in resources to cater for the considerable uplift in workload and volume of capital works and this will continue to 2020/21. An additional supply chain for the delivery of the works has been engaged and two new Project Managers were appointed and as a result the volume of work being delivered has not only met but surpassed expectations.

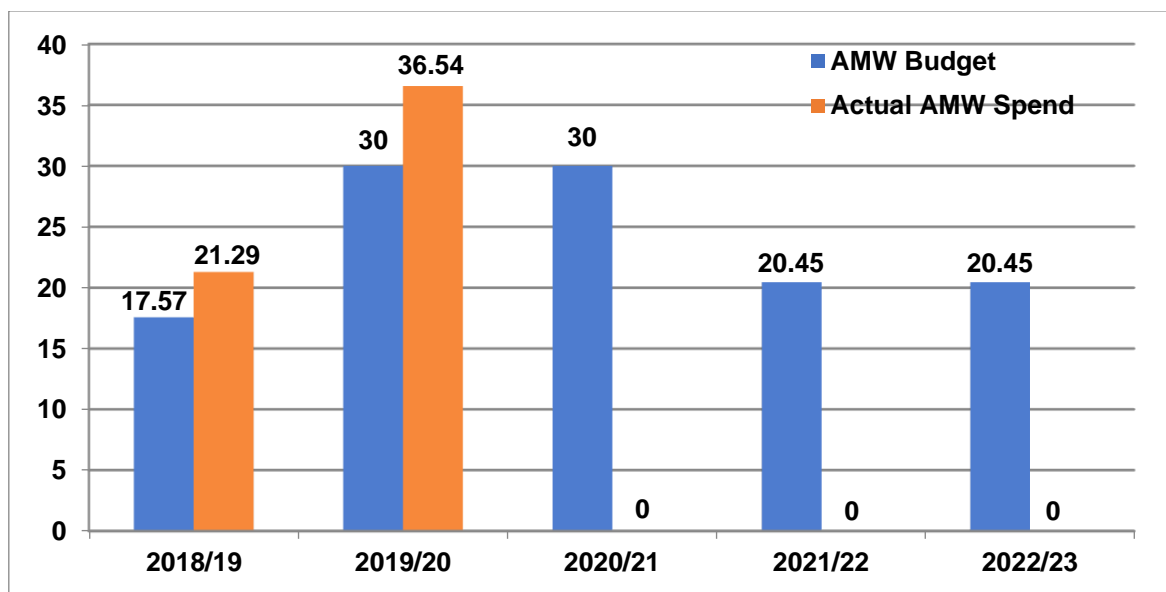
5.3 In addition, there will be a greater emphasis on the utilisation of working outside normal hours such as increased working during the evening and at weekends. The delivery progress will continue to be closely monitored for the duration of the AMW programme.

6. Financial Impact and Risks

6.1 The current cost profile for the five-year AMW Programme (approved budget and actual spend up to end December 2019) is summarised in Figure 7.

6.2 The total AMW Programme budget for the five-year period is £118.7m. Through programme acceleration, to bring about benefits earlier, actual spend was £21.3m in 2018/19 (121% of approved budget) and is forecast to be more than £42m in 2019/20, (140% of the approved 2019/20 budget).

Figure 7- AMW Programme Cost Profile: Approved Budget vs. Actual Spend



6.3 The main spend has been on primary schools, representing 72% and 79% of spend in the last two years respectively. This trend is set to continue in 2020/21 with 63% of estimated spend on primary schools. A further 12% is budgeted for high schools and 10% for community buildings in 20/21.

6.4 The main financial risk for the AMW Programme is that by 2022/23, most of the five-year AMW Programme budget of £118.7m will have been expended and there will be insufficient budget remaining to undertake works in the final year of the programme.

6.5 There are several reasons for the increased spend in the AMW Programme capital in the first two years of the programme:

1. Market inflation and rise in contractor's costs.
 2. Additional project scope as a result of 'hidden and unknown' but essential works such as asbestos removal, not apparent from visual surveys.
 3. The increased requirement for 'out of hours' working to avoid disruption to operating establishments. The original costings were based on industry standards assuming 'vacant possession' of buildings.
 4. Additional works undertaken to meet changing operational needs- e.g. full-scale kitchen refurbishments which are necessary to meet the operating and catering requirements of the schools.
- 6.6 In recognition of these extra costs to the programme, the Capital Budget Strategy proposes additional funding for the Asset Management Works programme in future years, once the current enhanced five-year programme is complete. In addition to the AMW base budget of £14m pa, the Strategy forecasts a further £4.8m in 2022/23, and £5.6m pa thereafter until 2029/30.

7. Stakeholder/Community Impact

- 7.1 It is expected that the AMW Programme, together with the Planned Preventative Maintenance (PPM) Programme, will significantly reduce the risk profile associated with operational estate, currently one of the Council's top risks.
- 7.2 Besides the improvements in asset condition, the AMW Programme has other associated benefits which will ultimately benefit affected stakeholders and local communities; such as:
1. Improved environment and ambience for building users.
 2. Improved asset resilience and future proofing of asset condition.
 3. Reduction in health and safety incidents.
 4. Reduction in risk of unplanned closures of operational buildings.
 5. Improved operating and thermal efficiency of buildings, thereby reducing the Council's running costs and carbon footprint respectively.
- 7.3 With the focus of the 2019/20 AMW Programme works being on primary schools, and with this trend continuing in 2020/21, the main impact of the AMW Programme on the stakeholders and the community so far has been during the works delivery phase. To ensure the works are delivered in a safe manner and that school disruptions are kept to a minimum (including any affected after-school activities), regular coordination meetings are being held with Communities and Families representatives and there is constant dialogue and communications with the affected school's Head Teacher and Business Manager. The programme has displaced community users outwith school hours and the Communities and Families School Lets team have been in dialogue with affected users to offer alternative venues. The provision of breakfast clubs and after school care has been safeguarded to protect continuity of provision.

8. Background Reading/External References

8.1 Please refer to:

1. [Item 7.3 – Outcome of Property Condition Surveys \(23rd January 2018 Finances and Resources Committee paper\)](#)
2. [Item 7.9 – Property Condition Project- Delivery Programme \(27th March 2018 Finances and Resources Committee paper\)](#)
3. [Item 7.15- Asset Management Works Programme- 2018/19 Update](#)

9. Appendices

Appendix 1: AMW Programme- Summary of AMW Programme Projects scheduled for completion in 2019/20.

Appendix 2: AMW Programme- Examples of 'Before' and 'After' photographs for completed projects in 2019/20.

Appendix 3: Asset Management Works (AMW) Programme Capital Budgets and Costs Summary and Profile from 2018/19 to 2029/30.

Appendix 1: AMW Programme- Summary of AMW Programme Projects completed/scheduled for completion in 2019/20

No	Property	Works Summary	Scheduled Completion Month
1	Balgreen PS	Roof & Rainwater, Doors & Windows, M&E, Internal Fabric, External Fabric & Fire Safety	November 2019
2	Blackhall PS	Roof & Rainwater, Ceilings, Toilet Upgrades, Windows, Decoration, External Fabric Enhancement & M&E	August 2019
3	Broughton PS	Fire Safety, Internal Fabric, M&E & Water Quality	October 2019
4	Broughton PS	Doors & Windows, External Fabric & Roads and Pavements	March 2019
5	Brunstane PS & Nursery	Lighting	August 2019
6	Brunstane PS & Nursery	External Fabric & Roof & Rainwater	January 2020
7	Bruntsfield PS	Roof, M&E, Windows, Toilets & Decoration	February 2020
8	Canal View PS		March 2020
9	Carricknowe PS	Doors & Windows	August 2019
10	City Chambers	Electrical Installation & Lighting	March 2020
11	Clermiston PS	Doors & Windows, External fabric, Internal fabric, M&E, Toilet Upgrades & Roof & Rainwater	September 2019
12	Clovenstone PS	Roof, Ceilings, Doors, Toilets, M&E & Decoration	March 2020
13	Corstorphine PS	Windows, Stonework, Decoration, Tarmac Upgrade & Decoration	November 2019
14	Craigentinny House Community Centre & Office	Roof & Rainwater	November 2019
15	Craiglockhart PS	Doors & Windows, Internal Fabric, M&E & Roads & Pavements	November 2019
16	Currie PS	Boilers	August 2019
17	Davidson Mains PS	M&E, Toilets, Fabric Upgrades & Doors & Fascias	March 2020
18	Echline PS	External Fabric & Roof & Rainwater	August 2019
19	Echline PS	Internal Fabric, M&E & Water Quality	May 2019
20	Ferrylee HOP	M&E	October 2019
21	Fox Covert PS	Doors & Windows, Roof & Rainwater, External Fabric, Internal Fabric & M&E	October 2019
22	Gracemount PS	Doors & Windows, External fabric, Internal fabric, M&E, Roof & Rainwater & Toilet Upgrades	October 2019
23	Gilmerton PS	Doors & Windows, M&E, External Walling, Decoration, Structural Work, Drainage Works, Roof Works, Hard Landscaping & External Joinerwork	March 2020
24	Granton PS	Roof & Rainwater, M&E, Decoration & Tarmac Upgrade	March 2020
25	Hillwood PS & Nursery	Windows, M&E, External Works & Decoration	October 2019
26	Kirkliston PS	Roof & rainwater, Ceilings, Toilet Upgrades, Windows, M&E, Decoration & Boundary & Playground Surface	March 2020
27	Leith Walk PS & Nursery	Doors & Windows, Decoration, Flooring, external Surfacing & Fencing & Toilet Upgrade	December 2019
28	Lorne PS	M&E & Internal Fabric	November 2019
29	Moredun YPC	ME, Decoration & Floor Coverings	December 2019
30	Murrayburn PS	Doors & windows, External fabric, Internal Fabric & M&E	July 2019
31	Prospect Bank SS	M&E	December 2019

32	Queensferry PS	Doors & Windows, External Fabric, Internal Fabric, M&E, Roof & Rainwater, Toilet Upgrades & Kitchen	October 2019
33	Ratho PS	M&E, Internal Fabric, Playground Upgrades & Toilet Upgrades	August 2019
34	Royal Mile PS	Windows, Stonework, M&E, Decoration & Paving & Tarmac Upgrade	March 2020
35	Sciennes PS	Roof & Rainwater	August 2019
36	Sciennes PS	Doors & Windows, External Fabric, Fire Safety, Internal Fabric, M&E & Toilet Upgrades	October 2019
37	Sighthill PS	Wall Repairs, Doors & windows, Roofing, Decoration, M&E & Security Fencing	March 2020
38	South Morningside PS	Windows, M&E, Decoration & External Fabric	February 2020
39	St. Cuthberts PS	M&E	August 2019
40	St. John Vianney PS	M&E	August 2019
41	St. Margarets PS	Roof & Rainwater, Structural Repairs, Toilet Upgrades, Ceilings, M&E & Decoration	November 2019
42	St Marys (Edinburgh) PS	Roof & Rainwater, Windows, M&E & Decoration	February 2020
43	St Marys (Leith) PS	Internal fabric, M&E, Decoration, Flooring & Toilet Upgrade	August 2019
44	St. Ninians PS	External Fabric, Internal Fabric, M&E & Roof & Rainwater	September 2019
45	St. Thomas of Aquin's HS	M&E	August 2019
47	Stockbridge PS	Flooring, Ceilings, M&E, Windows & Decoration	March 2020
48	Tollcross PS	Toilet Upgrades, Decoration & Windows	November 2019
49	Towerbank PS	Windows, Joinerwork, M&E, External Works and Decoration	February 2020
50	Trinity PS	Roof & Rainwater, External Fabric, Internal Fabric, Doors & Windows, Toilet Upgrades & M&E	August 2019

Appendix 2: AMW Programme- Examples of 'Before' and 'After' photographs for completed AMW Projects

Photograph of Typical Classroom at Broughton PS before Enhancements



Photograph of Typical Classroom at Broughton PS after Enhancements



Photograph of External Wall at St. Margarets PS before Enhancements



Photograph of External Wall at St. Margarets PS after Enhancements



Photograph of Gym Hall at Trinity PS before Enhancements



Photograph of Gym Hall at Trinity PS after Enhancements



Photograph of Typical Classroom at Echline PS before Enhancements



Photograph of Typical Classroom at Echline PS after Enhancements



Photograph of Dalry Swimming Pool Reception after Refurbishment (CEC Funding Contribution to Edinburgh Leisure Managed Property)



Photograph of Dalry Swimming Pool after Refurbishment (CEC Funding Contribution to Edinburgh Leisure Managed Property)



Appendix 3- Asset Management Works (AMW) Programme Capital Budgets and Costs Summary and Profile 2018/19 to 2029/30

Profile of AMW Programme approved yearly budgets	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	Total for 18/19 to 22/23 5-year programme	Total for 18/19 to 29/30 over 12 years
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Current AMW Programme Budgets & Cost Profile														
AMW Programme Approved Budget	17,570	30,000	30,200	20,475	20,450	14,000	14,000	14,000	14,000	14,000	14,000	14,000	118,695	216,695
Actual Project Cost Spend	21,290	36,541 (to end Dec. 19)	-	-	-	-	-	-	-	-	-	-	57,831 (to Dec.19)	57,831 (to Dec.19)
Increase in Capital Investment for AMW Programme works (subject to approval at Feb 2020 Council budget)														
Asset Management Works	-	-	-	-	4,800	5,400	5,400	5,400	5,400	5,400	5,400	5,400	4,800	42,600

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Extension to existing property repairs and maintenance contract

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 That Committee approves the proposed extension to the following contracts for a period of 6 months with the option to extend further:
 - 1.1.1 Statutory Compliance and Inspection Testing of Mechanical and Electrical (planned and reactive services) and Fabric (planned services) to FES FM Ltd, Servest Ltd and Skanska Rashleigh Weatherfoil Limited with an estimated contract value of £8m per annum;
 - 1.1.2 General building repairs and maintenance to James Breck Ltd, Response Building and Maintenance Ltd and Saltire Roofing and Building Ltd, with an estimated contract value of £0.9m per annum;
 - 1.1.3 Minor works and decoration repairs and maintenance to Bell Group UK Ltd, H&J Martin Ltd and Response Building and Maintenance Ltd, with an estimated contract value of £0.5m per annum;
 - 1.1.4 Plumbing, jetting and drainage repairs and maintenance to J B Bell and Co and Response Building and Maintenance Ltd, with an estimated contract value of £0.85m per annum;
 - 1.1.5 Blacksmith repairs and maintenance to Orbis Ltd, with an estimated contract value of £0.65m per annum;
 - 1.1.6 Joinery repairs and maintenance to Response Building and Maintenance Ltd, with an estimated contract value of £0.4m per annum; and

- 1.1.7 Lift and Escalator repair and maintenance to Kone Plc, Orona Limited and Consult Lift Services Ltd, with an estimated contract value of £0.4m per annum.
- 1.2 Notes that the Contracts were previously extended until 1 April 2020 by Waiver to the Council's Contract Standing Order on 16 August 2018 following approval at Finance and Resources Committee.
- 1.3 Notes that due to the scale and complexity of the procurement process and transformation of the delivery of Hard FM Services, this further Waiver is required to ensure that critical repairs and maintenance can continue.

Stephen S. Moir

Executive Director of Resources

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Extension to existing Property Repairs and Maintenance Contracts

2. Executive Summary

- 2.1 This report seeks Committee approval to extend, under Waiver of the Contract Standing Orders, the existing Property Repair and Maintenance Contracts until the completion of the procurement exercise for the re-tendering process.

3. Background

- 3.1 The Council has approximately 600 operational buildings and a significant number of sites (cemeteries etc) and non-operational assets such as statues and monuments etc across the estate.
- 3.2 The repairs and maintenance of these assets is delivered via external contractors or by utilising internal resources if capacity and the specific skillset is available. The appointment of external contractor support was subject to competitive tender in 2013 in separate and individual trade disciplines (Lots).
- 3.3 In 2017, Property and Facilities Management (P&FM) in conjunction with Commercial and Procurement Services (CPS) commenced a programme to transform the delivery of the service provision into a more streamlined, proactive and planned approach delivered by two main Hard FM partners.
- 3.4 The re-procurement of the service is complex and requires a significant volume of market engagement, stakeholder and end user consultation, scope and price modelling, contract drafting, data gathering, and analysis to ensure the most efficient contract which meets the needs of the Council are met and best value can be demonstrated.
- 3.5 The existing external contractor support contracts, currently contracted as a Waiver to the Council's Contract Standing Orders, expire on 1 April 2020 and this report seeks approval to extend further until the completion of the procurement exercise and mobilisation of the new Contract. This will be required for a minimum of 6 months.

4. Main report

- 4.1 Following an extensive market consultation and stakeholder engagement exercise to identify the most appropriate route to market, CPS and P&FM have been working on a new procurement process for the re-tendering of repairs and maintenance to the Council's operational estate.
- 4.2 Hard FM Services is the collective term for repairs and maintenance which consists of:
- Statutory inspections and certifications – the mandatory inspections and maintenance of equipment to ensure legal compliance. For example, gas-safe tests for boilers, cookers etc, fire alarm, fire suppression and emergency lighting, lifts and escalators, PAT, fixed wire tests etc.;
 - Reactive Repairs - the repair or replacement of items when defective. Predominantly health and safety, wind and watertight or service provision requirements including structural concerns, leaking roofs, broken windows, defective heating etc.; and
 - Planned Preventative Maintenance (PPM) – a programme to proactively inspect and maintain assets including clearing gutters and drainage systems, maintain windows, roofs, flooring, electrical and mechanical equipment etc. To prolong life-cycle, maintain best performance and mitigate risk.
- 4.3 PF&M and CPS placed a Contract Notice in the Official Journal of the European Union (OJEU) on 7 October inviting interested contractors to submit a European Single Procurement Document (ESPD) to assess the bidders' financial capacity, business probity, capacity, experience and organisational policies for fair work and environmental practices.
- 4.4 14 bidders submitted an ESPD and following evaluation, 7 contractors have been invited to tender for the opportunity. There are Atalian Servest, FES, Integral, Graham Asset Management, MITIE, Robertson FM and Skanska.
- 4.5 There is a significant volume of documentation being prepared in preparation for the tender stage of the procurement process. To ensure bidders have absolute clarity of the requirements and expectations within the Contract, the Project Team have:
- Compiled a list of over 45,000 assets which have been logged for scoping, pricing and monitoring purposes;
 - Assessment of the end to end process from works order to payment to identify operational improvements for inclusion in the procurement process;
 - detailed condition and asset information for each building has been compiled;

- working in collaboration with Sustainable Procurement Scotland, a strategy devised for the specification in relation to environmental benefits and requirements incorporating a low carbon approach to delivery;
- stakeholder mapping and engagement with end users including the pupils of each high school who form part of a working group to establish and promote which community benefits, work opportunities and environmental benefits they feel would be most beneficial to them;
- created a community benefits strategy aimed at apprenticeships and employment opportunities for long term unemployed. There will also be a focus on supporting the skill shortage in the construction industry for trades such as stonemasonry and carpentry;
- working to improve processes and procedures to ensure a more enhanced customer experience for the building users through improved technology and communication;
- drafting of a scope which complies with all relevant policy, legislation and Council charters such as the Construction Charter;
- created a strategy aimed at supporting Small to Medium Enterprises (SME's) which includes conditions within the contract for a minimum spend with SMEs within a 5-mile radius of the property;
- setting up a 'Meet the Bidder' event for local SMEs to meet with the bidders for sub-contracting opportunities. This will be supported by the Council, Sustainable Procurement Scotland and the Supplier Development Programme; and
- Working alongside colleagues in Legal Services to create a contract which is 'future proofed' and contains appropriate conditions related to sub-contractor payment, financial distress, TUPE, poor performance penalties and Brexit.

4.6 The complexity of the project and importance of ensuring all aspects are undertaken with great care and attention, has led to slightly revised timescales. In addition, the mobilisation period required by the successful bidders will only become clear once final tenders are received.

4.7 It is vital to extend the existing contracts to continue these Council critical services while the re-procurement process is undertaken.

5. Next Steps

5.1 The services will continue to be provided by the existing contractors until the new contract is in place.

5.2 The invitation to tender will be issued to the shortlisted bidders and these will be evaluated to assess which two bidders demonstrate best value for the Council. A further report outlining the outcome of the tender process is expected to be reported to Finance and Resources Committee in Summer 2020.

6. Financial impact

- 6.1 All costs will be contained within the Property and Facilities Management Service Repairs and Maintenance revenue budget.

7. Stakeholder/Community Impact

- 7.1 Briefings have been provided on this issue to each political group in relation to the procurement strategy and consultation is ongoing with service users and departments as part of the preparation of the tender documentation.

8. Background reading/external references

- 8.1 Report to Finance and Resources Committee 23 January 2018 – Outcome of Property Condition Surveys -
http://www.edinburgh.gov.uk/meetings/meeting/4309/finance_and_resources_committee
- 8.2 Report to Finance and Resources Committee 16 August 2018 – Extension to the Existing Property Repair and Maintenance Contracts

9. Appendices

- 9.1 None.

Finance and Resources Committee

10.00am, Thursday 5 March 2020

Workforce Dashboard – December 2019

Item number

Executive/Routine

Executive

Wards

Council Commitments

1. Recommendations

- 1.1 The Committee is recommended to:
- 1.2 To review and note the workforce information contained in the dashboard; and,
- 1.3 To approve that the Annual Workforce Controls report be aligned to the Council's Financial Year, rather than Calendar Year in the future to enhance reporting consistency.

Stephen S. Moir

Executive Director of Resources

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Workforce Dashboard

2. Executive Summary

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

3. Background

- 3.1 The dashboard reporting period is December 2019. Comparison is made to the previous dashboard reporting period, October 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 increased this period by 37 FTE to 14,759 FTE, and the basic salary pay bill decreased by £0.1m to £442.4m. 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 October 2019 and December 2019. The LGE group increased by 50 FTE and the Teaching group decreased by 10 FTE in the period.
- 4.5 **Figure 4** shows the change in Directorate FTE between October 2019 and December 2019. There was a notable increase in FTE (up 44 FTE) in the Communities and Families Directorate.
- 4.6 Permanent contracts decreased by 3 FTE, Fixed Term Contracts (FTCs) increased by 50 FTE, acting up and secondment decreased by 9 FTE and apprentice/trainee contracts decreased by 1 FTE.
- 4.7 The annual cost of permanent contracts decreased by £1.2m and FTCs increased by £1m. The cost of acting up and secondment arrangements increased by £200K, and the cost of apprentices/trainees decreased by £8K.
- 4.8 The cost of organisation new starts was £1.9m and the cost of leavers was £2.6m.
- 4.9 The spend on Working Time Payments (WTPs) decreased by £45K to £732K.
- 4.10 **Figure 5** shows longer term Local Government Employee workforce change, between June 2015 and December 2019 (i.e. before and after Transformation).

Flexible Workforce

- 4.11 In the period, this workforce was equivalent to approximately 1,009 FTE. The associated costs for this period increased by £200K to £2.8m. (**Figure 6**).
- 4.12 The spend on the agency workforce remained the same and cost the organisation £1.6m in the period. Of the total spend, 96% is attributable to the primary and secondary agency suppliers, whilst 4% relates to off-contract spend. The agency workforce this period was the equivalent of 540 FTE, with an average monthly workforce of 584 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 £230K this period, predominantly in the Schools and Lifelong Learning service. The casual/supply workforce this period was the equivalent of 252 FTE, with an average monthly workforce of 196 FTE (12-month average). The casual/supply cost trend is shown in **Figure 8**.
- 4.15 The total cost of overtime this period was £732K, up £3K since the previous period. A breakdown of the spend by overtime "type" is detailed in **Figures 9 and 10**. Around 57% 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 17% related to call-out

hours. The overtime/additional hours worked this period was the equivalent of 216 FTE, with an average monthly workforce of 245 FTE (12-month average, callout hours excluded from FTE reporting). The overtime cost trend is shown in **Figure 11**.

Displaced Workforce

- 4.16 The total number of employees on the redeployment register has remained the same since the last period.
- 4.17 Of the 36 employees currently displaced; 2 are planned leavers, 24 have been temporarily redeployed and 10 are not currently redeployed into a temporary solution but are carrying out meaningful work in their former service area.
- 4.18 The funding arrangements for the total displaced FTE is as follows; 22.2 FTE are corporately funded; 9.4 FTE are funded by their service and 2.0 FTE are funded externally
- 4.19 Of those corporately funded; 10.8 FTE are currently redeployed; 9.4 FTE are not currently redeployed and 2.0 are leaving on VR. 14.2 FTE of the corporately funded FTE have been on the redeployment register for longer than 12 months, 2.0 for between 6 and 12 months and 6.0 FTE for less than 6 months.
- 4.20 As at December 2019, £243,291 of salary costs have been saved from redeployment costs, as a result of colleagues securing alternative employment within or outwith the organisation.
- 4.21 With an ongoing focus on reducing costs across the Council we have asked for support from Executive Directors and their Heads of Service to ensure that line managers commit to try and find suitable alternative roles for those on the redeployment register. Equally, recruiting line managers are actively encouraged to consider committing to training and support to help employees on the register to reach the required standard for particular roles.

Absence

- 4.22 In the period the monthly absence rate (reflecting days lost to absence in December 2019) increased from 5.47% (October 2019) to 5.62% (see **Figures 12, 13 and 14**). The monthly absence trend for 19/20 is like that observed in 18/19.
- 4.23 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.

Annual Workforce Controls report 2019/20

- 4.24 Based upon the production of this dashboard on a regular basis for Committee oversight and scrutiny, it is proposed that the Committee approves that the annual workforce controls report cycle of reporting is altered from a calendar year to a financial year. If approved, this change would be implemented in the 2020/21 financial year, with the next Annual Workforce Controls report due in May 2020.

5. Next Steps

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

6. Financial impact

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

7. Stakeholder/Community Impact

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

8. Background reading/external references

- 8.1 Workforce Control Report and Dashboard to Finance and Resources Committee on 23 January 2020.

9. Appendices

Appendix 1: Finance and Resources Committee Workforce Dashboard

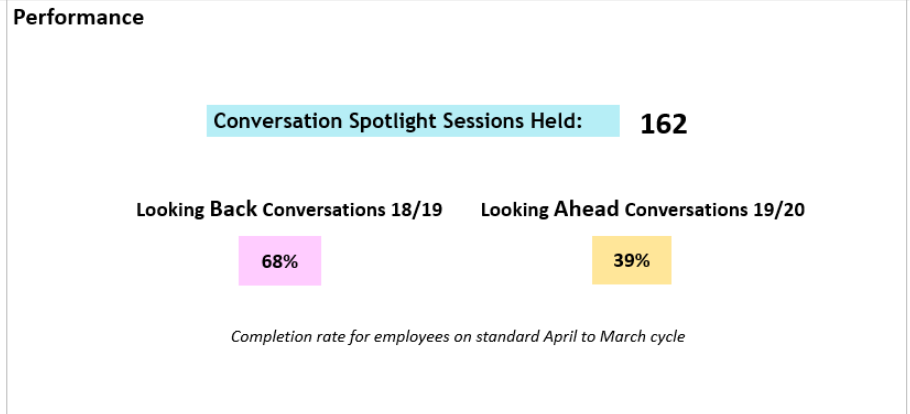
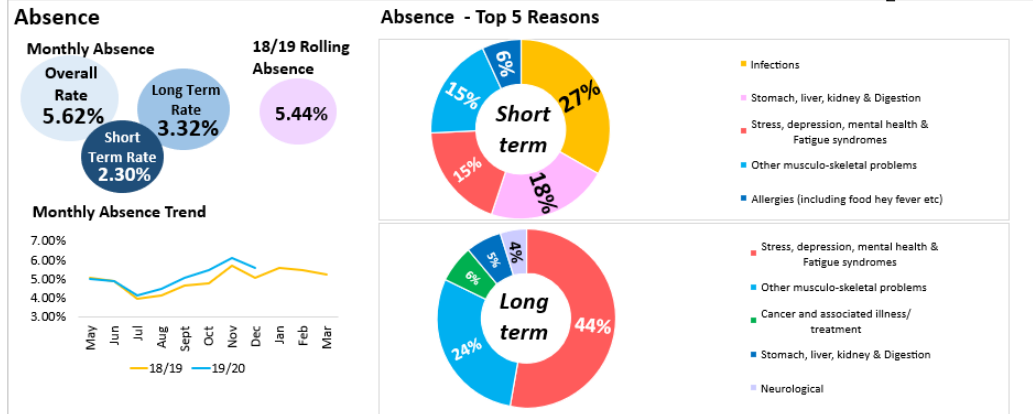
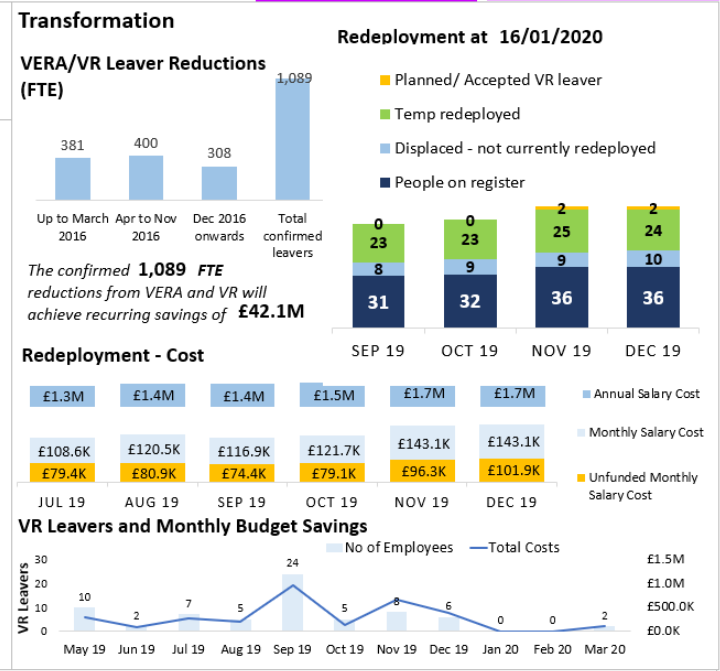
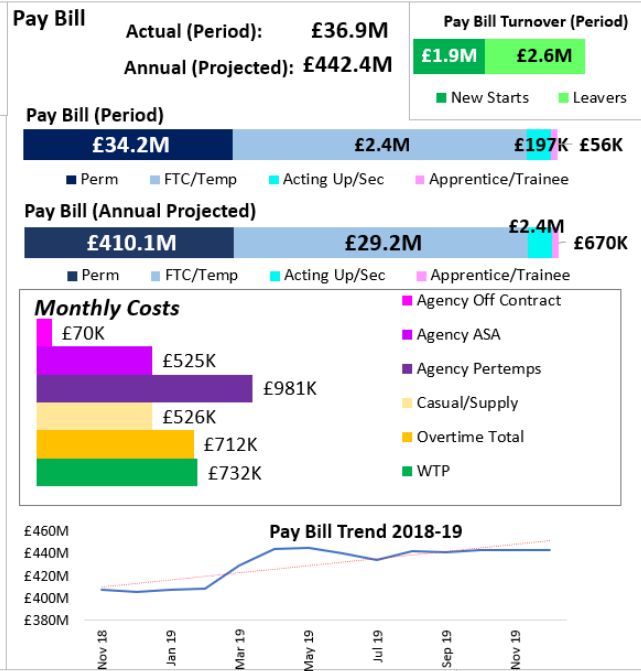
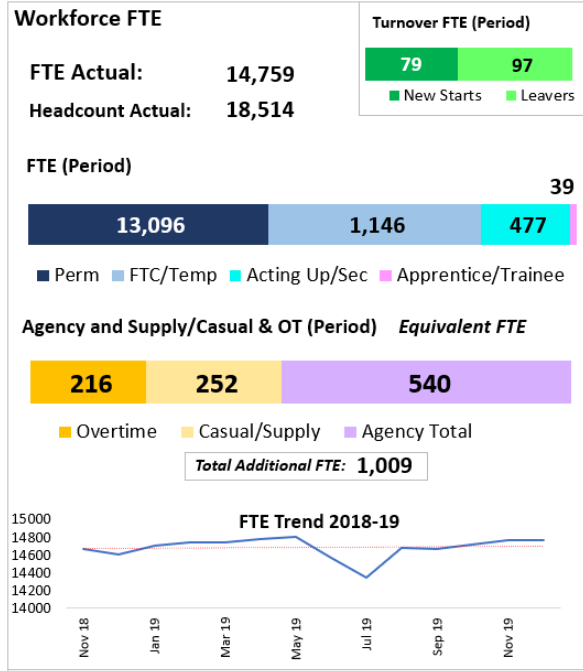
Appendix 2: Finance and Resources Committee Workforce Dashboard Glossary

Appendix 3: Workforce Management Information and Trends

Appendix 1: Finance and Resources Committee Workforce Dashboard

Workforce Dashboard: Finance and Resources Committee

Period: Dec 19 | Issued: 18 Jan '20



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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

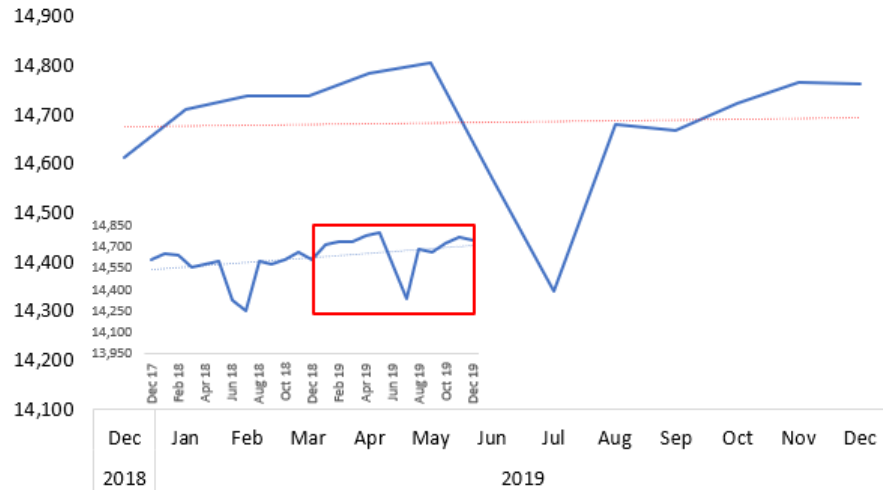
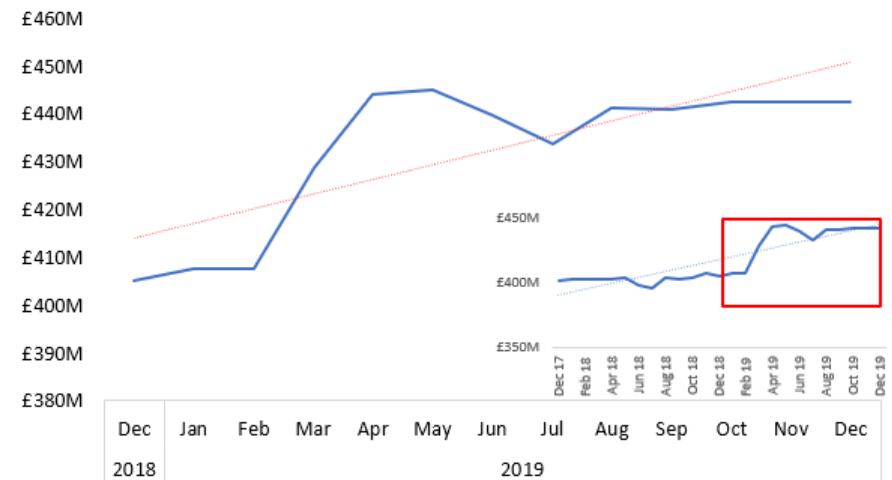


Fig 2. Pay Bill Trend



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Fig 3. Core Workforce Groups

Category/ Group	October 2019		December 2019		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Local Government Employee GR1-GR12 including Craft	10863	13652	10913	13722	50	70
Chief Official	19	19	19	19	0	0
Craft Apprentice	20	20	18	18	-2	-2
Teaching Total	3819	4741	3809	4755	-10	14
Council Total	14721	18432	14759	18514	38	82

Fig 4. Core Workforce FTE by Directorate

Directorate	October 2019		December 2019		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Chief Executive	150	161	147	159	-3	-2
C&F	7908	10210	7952	10302	44	92
EH&SCP	2141	2462	2153	2467	11	5
Place	2325	2790	2309	2780	-16	-10
Resources	2166	2775	2169	2775	2	0
Displaced	32	34	29	31	-3	-3
Council Total	14721	18432	14759	18514	38	82

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		December 2019		June 15 to December 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	243	£3.5M	-381	£-4.6M
	GR2	244	£3.4M	198	£2.9M	170	£2.5M	167	£2.6M	497	£7.5M	253	£4.0M
	GR3	2374	£38.2M	2124	£34.9M	2089	£35.1M	1965	£34.9M	2061	£36.3M	-313	£-1.9M
	GR4	2479	£45.8M	2567	£48.1M	2444	£46.8M	2549	£52.0M	2493	£50.7M	15	£4.8M
<i>Front Line Manager/ Specialist</i>	GR5	1808	£40.6M	1563	£35.2M	1545	£35.3M	1634	£39.6M	1701	£40.9M	-107	£0.3M
	GR6	1421	£37.1M	1337	£35.9M	1397	£38.0M	1444	£41.8M	1437	£41.5M	16	£4.3M
	GR7	1520	£48.0M	1296	£42.1M	1294	£42.4M	1294	£45.2M	1306	£45.4M	-215	£-2.6M
	GR8	776	£29.2M	652	£25.1M	689	£26.7M	700	£29.0M	697	£28.6M	-80	£-0.6M
<i>Managers</i>	GR9	359	£15.9M	280	£12.9M	281	£13.0M	279	£13.9M	286	£14.2M	-72	£-1.7M
	GR10	118	£6.3M	123	£6.5M	117	£6.4M	120	£7.0M	121	£7.0M	3	£0.7M
	GR11	47	£3.0M	36	£2.3M	36	£2.4M	38	£2.7M	32	£2.2M	-15	£-0.7M
	GR12	31	£2.2M	33	£2.4M	38	£2.8M	42	£3.3M	38	£3.0M	7	£0.8M
Total		11801	£277.8M	10849	£256.8M	10694	£259.4M	10808	£280.5M	10913	£280.8M	-888	£2.9M

Appendix 3: Workforce Management Information and Trends (continued)

Flexible Workforce: Management Information and Trends

Fig. 6 Flexible Workforce in Period

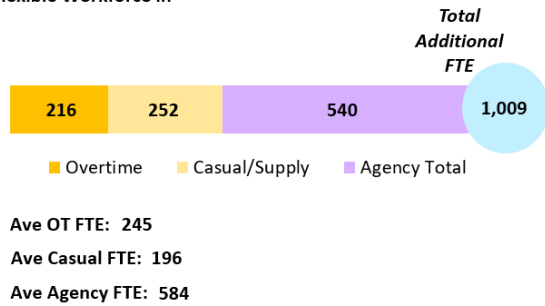


Fig. 7 Agency Trend

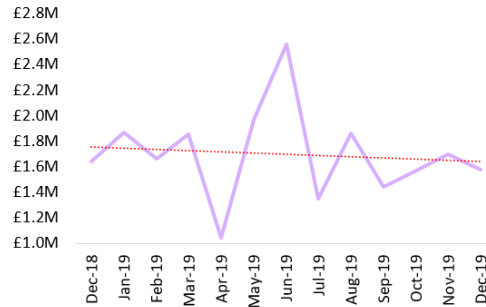


Fig. 8 Casual Trend

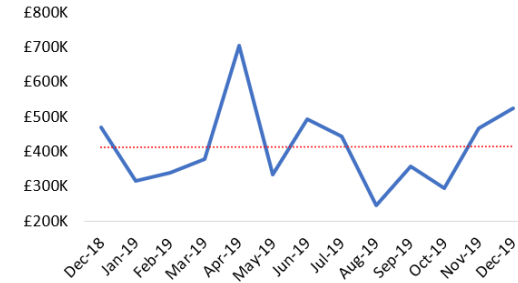


Fig. 9 Overtime by Type in Period

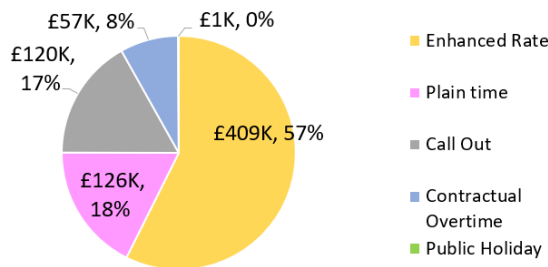


Fig. 10 Overtime by Type in Period - By Directorate

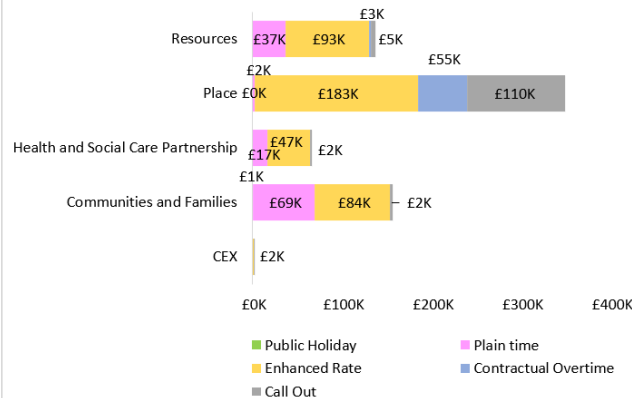
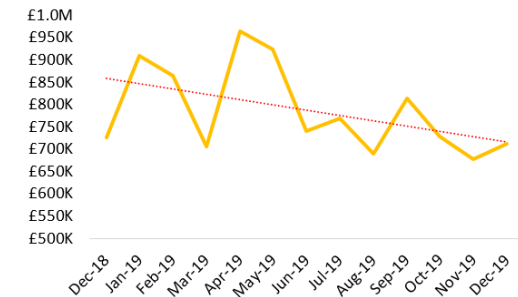


Fig. 11 Overtime Trend



Appendix 3: Workforce Management Information and Trends (continued)

Core Workforce: Management Information and Trends

Fig 12. Monthly Absence Rate

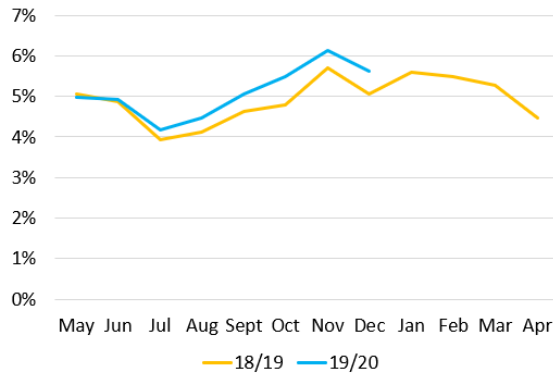


Fig 13. Monthly Days Lost

	18/19	19/20
May	13,842	13,862
Jun	12,906	13,139
Jul	10,611	11,395
Aug	11,776	12,275
Sept	12,361	13,821
Oct	13,207	15,101
Nov	15,269	16,373
Dec	14,003	15,524
Jan	15,445	
Feb	13,701	
Mar	14,606	
Apr	12,051	

Fig 14 Monthly Absence Rate 18/19 - Directorates

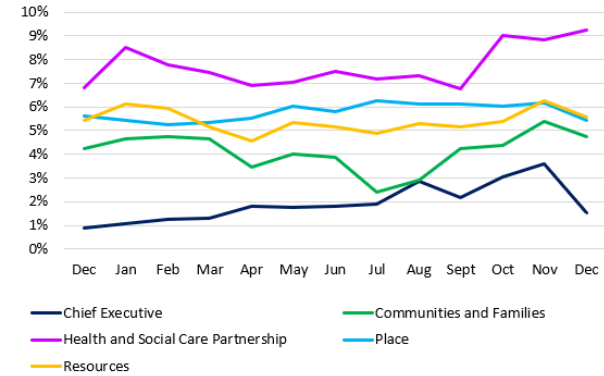
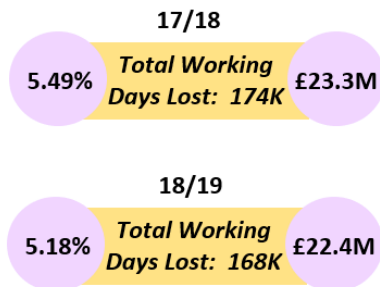


Fig 15. Rolling Absence Rate

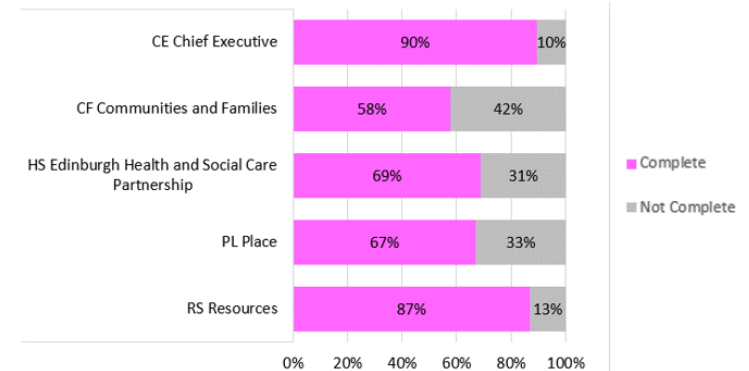


Working days lost to absence between April and March 17/18 + 18/19

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



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Finance and Resources Committee

10:00am, Thursday, 5 March 2020

Health and Safety Performance in 2019

Item number	
Executive/routine	
Wards	All
Council Commitments	

1. Recommendations

- 1.1 Committee is recommended to review and note health and safety progress and performance in 2019.

Stephen S. Moir

Executive Director of Resources

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

Health and Safety Performance in 2019

2. Executive Summary

- 2.1 The focus during 2019 was to continue to deliver the Council Health and Safety Strategy and Plan for 2018-2020, which was approved by the Finance and Resources Committee in March 2018.
- 2.2 Good progress has been made during 2019 to improve the Council's health and safety performance across all six key priority areas set out in the Strategy, building on progress made in previous years.
- 2.3 2019 again saw a focus on supporting people at all levels to ensure they are suitably trained and informed.
- 2.4 When compared with 2018, in 2019 the Council achieved a further 13% reduction in the number of RIDDOR¹ reportable employee injuries, which represent the most serious incidents. This builds upon the significant reduction achieved over the last few years.
- 2.5 However, whilst it is encouraging that the incident statistics show an improving trend, the findings from health and safety audits, health and safety and fire safety reviews, incident investigations, whistleblowing investigations, and feedback from our Trades Union colleagues continue to highlight a number of several potential areas for improvement, which are addressed locally with specialist support where necessary from the Corporate Health and Safety team.

3. Background

- 3.1 The Council has duties under the Health and Safety at Work etc. Act 1974, and subordinate legislation, to ensure as far as is reasonably practicable the health, safety and welfare of its employees and others who could be affected by its undertaking.
- 3.2 The purpose of this report is to update on progress and performance in relation to health and safety in 2019.

¹ Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

4. Main report

- 4.1 The Council Health and Safety Strategy and Plan, which set out the Council's health and safety aims for 2018-2020, was approved by the Finance and Resources Committee in March 2018. This supports the delivery of the Council's Business Plan by ensuring that our people and third parties, including members of the public, contractors, service users and pupils, are safe.
- 4.2 In 2019, the Council made good progress across all six key priority areas set out in the Council Health and Safety Strategy and Plan 2018-2020, as set out in more detail below.
- 4.3 **Risk Management and Legal Compliance**
- 4.3.1 The Council Health and Safety Policy was approved by the Corporate Policy and Strategy Committee in May 2018 and reviewed again in 2019 and considered to remain fit for purpose.
- 4.3.2 A new sub-policy for Water Safety (incl. *Legionella*) was approved by the Corporate Policy and Strategy Committee in May 2018. This Policy was reviewed in May 2019 and was considered to remain fit for purpose. The sub-policies for Asbestos and Fire Safety are presently under review and are intended to be brought to Committee for review later this year.
- 4.3.3 During 2019, the Edinburgh Health and Social Care Partnership has continued to develop its Health and Safety governance and assurance framework. The Partnership established a Health and Safety Group, with membership from across Council and NHS Lothian including Trade Union representation and with terms of reference. This group is responsible for promoting:
- visible commitment to the wider health and safety agenda; and
 - leading the implementation of Council and NHS Lothian and joint policies where appropriate.
- 4.3.4 This group reports regularly to the Health and Social Care Partnership Executive Team on positive health and safety outcomes, as well as escalating any relevant health and safety concerns, provides performance statistics in terms of incidents / accidents / RIDDOR and identifying any risks and issues.
- 4.3.5 The Partnership also has a clear assurance and reporting framework, which focusses on the 12 key areas across the year.
- 4.3.4 In 2019, there were 168 unplanned fire safety visits / inspections by the Fire Safety Team. The enforcement authority, the Scottish Fire and Rescue Service, conducted 33 fire safety audits. There were 9 planned surveys in relation to Facilities Management and Fire Safety governance over buildings. There were 11 reported fire incidents involving our operational properties that required follow-up and investigation by the Council Fire Safety Team.

4.4 Leadership and Accountability

- 4.4.1 The Council's Health and Safety Senior Manager left the Council in November 2019. In addition, the Council's Health and Safety team has had a number of vacancies which have occurred during 2019 which have proved difficult to fill. This made for a challenging resourcing position in 2019.
- 4.4.2 An interim Health and Safety Senior Manager has been appointed with effect from 27 January 2020 pending permanent recruitment to the post. Recruitment to the posts in the team will also follow in due course.
- 4.4.3 The Council's Health and Safety Conference took place on 17 May 2019 and focussed on the theme of health and safety culture, including health and wellbeing. The Conference was well attended and the feedback from attendees at the event was very positive.

4.5 Competence

- 4.5.1 A training needs analysis for health and safety is being further developed for each service area. The analysis considers the training needs of individual roles and key safety functions carried out by staff. Once completed, the proposed training analysis will be shared with the Trades Unions for their feedback. This will also assist Service Areas in tracking the training needs for staff.
- 4.5.2 A comprehensive Corporate Health and Safety Training Programme was delivered during 2019. The number of courses delivered increased from 244 in 2018 to 391 in 2019 due to increased demand as a result of the training needs analysis. This is a 60% increase. The number of course participants also continued to rise from 1958 in 2018 to 3271 in 2019 (67% increase). As the training needs analysis develops across all services, this will continue to identify and prioritise future training needs.
- 4.5.3 Throughout the year, there was an increased focus on tailoring the face to face training courses to meet local needs for staff. This includes courses delivered in locality venues to improve their accessibility.
- 4.5.4 The uptake in e-learning modules also continues to improve. In 2018 the number of modules completed was 1980. The number of modules completed in 2019 rose to 4309 (an 118% increase), improving awareness about key health and safety risks. The e-learning modules are continuously reviewed to ensure that they remain relevant and aligned with Council Policies and updated as required.

4.6 Engagement and Collaboration

- 4.6.1 Regular meetings between Corporate Health and Safety and health and safety representatives from UNISON, Unite and EIS were held, recognising the important role of accredited safety representatives. The meetings helped

to ensure that any operational health and safety matters of concern were addressed more quickly and effectively.

4.7 Measurement

4.7.1 Quarterly fire safety performance dashboards continue to be produced, with support from Property and Facilities Management, to provide oversight on fire safety performance. The dashboards contain leading and lagging metrics including information on fire safety incidents, fire alarm activations, and findings from internal and external fire safety inspections. These are in addition to the suite of quarterly health and safety dashboards produced for the Council and Directorates, which provide oversight on health and safety incident statistics, enforcement action, audits, and training.

4.8 Governance and Assurance

4.8.1 Improvements were made to the health and safety audit process. Pre- and post-audit meetings are now held for all audits, with clear terms of reference. Auditee guidelines are also available, which set out expectations of the audit process and the roles of the auditor and auditee.

4.8.2 Health and safety audit actions have been tracked on Pentana Performance (a software system) since July 2018. This will provide greater visibility on open/overdue audit actions and will facilitate reporting. Guidance and training on the use of Pentana has been provided to key stakeholders.

4.8.3 Forty-eight health and safety audits were carried out in 2019 as part of a rolling Corporate Health and Safety Audit programme. These included audits of services, corporate buildings and contractor audits. Changes in personnel within the in Corporate Health and Safety team has impacted on the delivery of planned Q4 2019 audits. There were 15 proposed audits for Q4 2019, 3 audits were carried out in Q4, 6 audits were carried forward to Q1 2020 and 6 audits will be carried forward to Q2/Q3 in 2020.

4.9 Health and Safety Performance in 2019

4.9.1 The Council achieved a further 13% decrease in the number of RIDDOR reportable injuries to employees in 2019 compared with the final figure for 2018. These represent the more serious injuries that we are required to report to the Health and Safety Executive (HSE). This reduction builds on the decreases achieved in 2018, 2017 and 2016 where the Council saw an overall reduction of 53% decrease in the number of reportable injuries to employees.

4.9.2 Whilst there has been a decrease in the overall number of RIDDOR reportable injuries to employees in 2019, the number of 'major/specified' injuries (such as fractures) has remained the same as in 2018.

4.9.3 Overall, there were 1951 employee injuries; 747 excluding assaults. The employee injury rate for 12 months is 10.5 per 100 and 4.0 excluding assaults. This indicates a slight increase in employee injuries and compares

with 9.4 per 100 employees (12% increase) and 4.0 excluding assaults (no change) in 2018, respectively.

- 4.9.4 Violence and aggression/assaults continues to be the top cause of employee injury within the Council and accounted for 56% of all injuries to employees. The majority (77%) of these injuries were in schools, and mostly in relation to learners with additional support needs. In 2019, there was a slight increase of 0.7% in injuries due to violence and aggression in special schools, whilst in primary schools there was an increase of 22%. Procedures are in place in each school for recording and reporting of physical harm, and key information is now displayed in staffrooms, including the flowchart for reporting a violent incident. Arrangements are also in place at school and authority level for regular monitoring and concerns are followed up. Special schools with a relatively high number of incidents have been provided with additional support from specialist staff within the Council, with a focus on de-escalation techniques. Environmental adaptations are underway in a further three schools to reduce the number of incidents resulting from challenges created by the learning environment. The implementation of new procedures linked to Risk Management and Reduction and Relationships, Learning and Behaviour will also support strategies to decrease the incidence of physical incidents in schools.
- 4.9.5 Schools and Lifelong Learning have a “Behaviours of Concern Group” which is chaired by the Schools and Lifelong learning Quality Improvement and Curriculum Manager. Membership of this group includes union representation; the group meets monthly.
- 4.9.6 The service is currently finalising a strategy for the new SHE (Council incident reporting portal) this will assist in terms of management information/appropriate system use. The 2019/20 Self-Assurance questionnaire includes a section on Additional Support for Learning which directs staff to policy/procedures and essential learning to support.
- 4.9.7 A video signposting colleagues to the support available was shared with colleagues in August to be used in schools at in-service days (establishment wide).
- 4.9.8 Employee related near-miss reporting saw an impressive increase up to 584, compared with 378 in 2018. This is attributed to making it easier for staff to report near misses, and the launch of new reporting guidelines and near-miss campaigns. Near-miss reporting is essential to help ensure that pre-emptive action can be taken to improve health and safety.
- 4.9.9 Analysis of the claims experience over the last five years is encouraging and suggests that there may be a downward trend in the number of claims being submitted. Notably, the employers’ liability claims experience takes some time to mature as claims may be submitted up to three years after the occurrence of injury. The Council bears the claim excess and in addition the cost of investigating and dealing with claims and backfilling posts when

employees are absent due to injuries and ill health and this can be significant.

4.9.10 Three HSE Notices of Contravention were issued during 2019:

- Asbestos matters in relation to the inspection of a primary school;
- Roads - for lifting slabs and lack of suitable respiratory protection during slab cutting; and
- Princes Street Gardens - lack of risk assessment in gardens following rock fall incident in 2018.

4.9.11 It is encouraging that the incident statistics and employers' liability claims experience shows an improving picture. However, the findings from health and safety audits, health and safety and fire safety reviews, incident investigations, whistleblowing investigations, and feedback from our Trades Unions continue to highlight several areas for improvement, which are addressed locally with specialist support where necessary from Corporate Health and Safety.

4.9.12 The Council has legal obligations to ensure the health and safety of its staff and others, and the consequences of not doing so not only impact negatively on individuals and their families and society but can have significant cost implications for the Council. For example, the average penalty for health and safety offences in 2019 was £150,000 per case, excluding legal costs. Other costs include compensation and associated legal costs, absence costs, plus the associated reputational damage.

5. Next Steps

- 5.1 Delivery of the 2018-2020 Strategy and Plan will be the key area of focus in 2020, in addition to providing specialist health and safety support for any unplanned circumstances and investigations.

6. Financial impact

- 6.1 There is no direct financial impact arising from this report, although any failure to manage health and safety appropriately can have a potentially significant impact.

7. Stakeholder/Community Impact

- 7.1 There is ongoing consultation and engagement with Trades Unions and stakeholders.

- 7.2 The potential impact of failure to manage health and safety and welfare includes: death, injury, ill health, in addition to legal liabilities, regulatory censure, financial losses, business disruption and reputational damage.
- 7.3 There are no adverse equality impacts arising from this report.
- 7.4 There are no adverse sustainability impacts arising from this report.

8. Background reading/external references

- 8.1 [Council Health and Safety Strategy and Plan 2018-2020.](#)

9. Appendices

None.

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Sustainable Procurement Strategy 2020-2025

Executive	Executive
Wards	All
Council Commitments	2, 3 and 7

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee notes the content of this report and approves the adoption of the Sustainable Procurement Strategy which will be effective from 1 April 2020 to 31 March 2025, subject to annual review as outlined in this report.

Stephen S. Moir

Executive Director of Resources

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E-mail: iain.strachan@edinburgh.gov.uk | Tel: 0131 529 4930

Sustainable Procurement Strategy 2020-2025

2. Executive Summary

- 2.1 This report submits a new five year Sustainable Procurement Strategy for the Council (the Strategy). The Strategy will replace the current Commercial and Procurement Strategy which ends in March 2020. The Strategy places sustainability at the heart of the Council's procurement programme for the next five years, to ensure that the Council's considerable spending power is used to promote those economic, environmental and social outcomes that support growth, and simultaneously assist the Council in addressing the challenges that the city is facing.
- 2.2 The Strategy has been informed by internal and external consultation, by the Council's strategic commitments, and also by the developing local and national policy framework that now gives greater recognition to the important role that public sector procurement has in assisting the Council deliver its key outcomes.
- 2.3 The Strategy will be the subject of annual review, and a report of performance against the Strategy will be submitted annually to the Finance and Resources Committee.

3. Background

- 3.1 The Council's external spend on goods, services and works is substantial, its external third party spend in 2018/19 being approximately £635m. Under the [Procurement Reform \(Scotland\) Act 2014](#), the Council is required by law to publish a strategy that gives the strategic focus for its procurement activities, and that sets the context in which the Council will work to ensure that its procurements deliver value for money and directly contribute to the achievement of its broader aims. In this context the main focus is on regulated procurements, "regulated" meaning those contracts valued at over £50,000 for goods and services and over £2 million for works.
- 3.2 The Scottish Government has published [statutory guidance](#) on the application of the Procurement Reform (Scotland) Act 2014.
- 3.3 The Council's Commercial and Procurement Service (CPS) supports all procurement and contract management activity across the Council, to ensure the

Council's purchasing requirements are met, and the associated internal and external regulatory controls complied with, including the Strategy and the Council's Contract Standing Orders.

- 3.4 CPS prepares the Council's Annual Procurement Report, which is also a requirement of Procurement Reform (Scotland) Act 2014 and provides details of the Council's regulated procurement activity in the most recent financial year, together with performance against the Strategy. The most recent Annual Procurement Report was submitted to the Finance & Resources Committee on [15 August 2019](#), and noted that a new Strategy would be consulted on, and brought to Committee in March 2020 for adoption.

4. Main report

- 4.1 In the period since the previous [Strategy](#) was adopted, there have been notable developments in the local and national policy framework, that now more clearly recognises the important role that public sector procurement has in assisting the Council to deliver its key outcomes, and is in turn aligned to the Scottish Government's National Performance Framework. Specific Council examples include (i) the Council's ambitious target of becoming a carbon-neutral city by 2030, (ii) the Council's adoption of the Edinburgh Economy Strategy - Enabling Good Growth on [7 June 2018](#), (iii) the work of the [Edinburgh Poverty Commission](#) and (iv) the Council's adoption of the Construction Charter on [16 August 2018](#) and the Charter Against Modern Slavery on [2 October 2018](#). The Council's procurement activity also directly supports the delivery of Council services, and key Council projects and initiatives, such as the delivery of new housing and schools.
- 4.2 Taking account of the above, the new Strategy is a natural development from the previous one, which in particular was aligned to the Council's Business Plan 2016 - 2020 and the Commercial Excellence programme which was being undertaken in CPS at that time. In addition, in 2019 the Council launched a new programme of change designed to respond to the opportunities and challenges facing the city, now and in the future. This programme has a particular focus on tackling poverty, promoting sustainability and improving residents' wellbeing, and is designed to guide all savings and spending decisions the Council makes between now and 2023.
- 4.3 The Strategy takes account of the above, in addition to the financial challenge facing all local authorities, and identifies seven key strategic procurement objectives that would be promoted:
- 4.3.1 Making procurement spend more accessible to local small business and the third sector;
 - 4.3.2 Improving Fair Work practices adopted by suppliers;
 - 4.3.3 Increasing community benefits delivered by suppliers;
 - 4.3.4 Contributing to the Council's 2030 carbon-neutral city target;

- 4.3.5 Delivering savings and Best Value outcomes;
 - 4.3.6 Ensuring legal compliance and robust and transparent governance; and
 - 4.3.7 Promoting innovative and best practice solutions.
- 4.4 In developing the Strategy consultation was undertaken internally and externally by CPS, this included input from key stakeholders including the Federation of Small Businesses, Edinburgh Social Enterprise, Edinburgh Poverty Commission, Edinburgh Voluntary Organisations Council, Council suppliers, Council service areas and through a public consultation via the Council website.
- 4.5 The website responses provided high support, with between 74% and 88% of the 73 responders agreeing, that the Council's external spend should further the strategic objectives noted at 4.3.1 to 4.3.4 above.
- 4.6 The stakeholders mentioned at 4.4 above were engaged in workshops, face to face discussions and/or email correspondence to identify opportunities for improvement and agreed steps for further engagement to support the delivery of the objectives. This has helped ensure the Strategy has been informed by those with a key interest in the Council's procurement activity.
- 4.7 An action plan has been included in Appendix 3 of the Strategy, to help drive its implementation. Importantly, as mentioned elsewhere, it is a legal requirement that the Strategy is reviewed annually, and performance against the same reported. In this way, and in addition to other indicators, CPS will record and report on the Council's spend with local suppliers, the level of community benefits secured from suppliers and the number of Living Wage accredited suppliers, with the clear intention that these will all increase every year. Through this annual review and reporting, the Strategy is not fixed, and will naturally evolve throughout its five year period, and adapt to fit further regulatory change, in addition to the promotion of new and changing local and national priorities.
- 4.8 Key deliverables in the action plan do, however, for the first time include the following commitments:
- 4.8.1 A minimum weighting of 5% for Fair Work practices in the qualitative evaluation of all tenders, higher where appropriate;
 - 4.8.2 A default weighting of 10% for community benefits in the qualitative evaluation of all tenders, higher or lower where appropriate;
 - 4.8.3 A target of £10m of new savings being secured each year through procurement and contract management activity; and
 - 4.8.4 Commencing a programme of contract management compliance reviews across Directorates, and other contract management support, including to mitigate risks to the Council's supply chain from the UK leaving the European Union.
- 4.9 In addition, the action plan captures existing good practice which will continue, including the regular 6 monthly reporting of contract awards to Committee and the annual review of the Council's Contract Standing Orders.

- 4.10 In respect of the Council's carbon-neutral target, CPS is already engaging with the Scottish Government's Sustainability Team and Zero Waste Scotland. CPS is also representing all Scottish local authority procurement teams on a new Climate Change forum which has been established by the Scottish Government to share best practice in procurement policy and practice. It is anticipated that these activities will enable the team to actively support all service areas in addressing this key strategic objective.
- 4.11 The Council already has a strong reputation for its procurement activity. This is demonstrated by the Council's Procurement and Commercial Improvement Programme score increasing to 87% in 2019, against a local authority average of 70%, this being independently assessed by Scotland Excel on behalf of the Scottish Government. In addition, the Council won a Market Development award and were highly commended in the Team of the Year Award in October 2019 at the Government Opportunities (GO) Excellence in Procurement Awards. Implementation of the Strategy will enable the Council to build upon its procurement achievements to date, and further develop the skills and experience of its procurement staff.

5. Next Steps

- 5.1 If adopted, the Strategy will be reported to the Scottish Government and published on the Council's website.
- 5.2 The action plan will be managed by CPS, and performance against the Strategy reported annually to Finance and Resources Committee. It is to be noted that the first report on the new Strategy will be in August 2021, as the report in August 2020 will be in respect of the 2019/20 financial year and performance against the current Strategy.

6. Financial impact

- 6.1 There is no direct financial impact from the approval of this report. However, implementation of the Strategy should deliver financial and non-financial benefits to the Council, as well as the city and its businesses. In particular, the Strategy includes a target of £10m of new procurement and contract management savings being secured each financial year.
- 6.2 It is to be noted that in 2018/19 procurement savings of £38.5m were tracked and delivered in year, with the Council on target to deliver a similar amount in 2019/20. These are in addition to the £150m of savings secured from 2013/14 through to 2018/19.

7. Stakeholder/Community Impact

- 7.1 As summarised at paragraphs 4.4 to 4.6 of this report, the Strategy has been the subject of internal and external consultation, which received 73 on-line responses, and was supplemented by additional meetings and submissions to the Council.
- 7.2 The Strategy identifies seven key strategic procurement objectives that will be promoted through the Council's procurement activity. These objectives are aligned to the Council's priorities, and if delivered will have a positive impact upon the city, its citizens and its businesses. In particular, the Strategy aims to make the Council's external spend more accessible to local small businesses and third sector, to improve Fair Work practices adopted by Council suppliers and to increase the community benefits delivered by Council suppliers. The Strategy also aims to contribute to the Council's 2030 carbon-neutral city target.
- 7.3 In accordance with the Council's statutory duties, an Integrated Impact Assessment (IIA) has been completed in respect of the Strategy. No negative impacts have been identified from the adoption of the Strategy, and its implementation should instead assist in positive impacts being delivered through the Council's procurement activity. A link to the IIA is included [here](#).

8. Background reading/external references

- 8.1 [2019 Annual Procurement Report](#)
- 8.2 [Item 7.4 Commercial and Procurement Strategy 1 Dec 2016](#)
- 8.3 [Procurement Reform \(Scotland\) Act 2014 - Statutory Guidance](#)
- 8.4 [Scottish Government National Performance Framework](#)

9. Appendices

- 9.1 Appendix 1 - Sustainable Procurement Strategy 2020-2025

Sustainable Procurement Strategy

March 2020 to March 2025

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Foreword



Edinburgh is one of the best cities in the world in which to live, work and study. The city is not without challenges however and the Council approach to managing their impact and promoting desired outcomes must be aligned, including how the Council uses its considerable spending power.

The launch of the Council's new Sustainable Procurement Strategy puts sustainability at the heart of the

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procurement programme for the next five years. Sustainability delivered through Council spend will help promote the economic, environmental and social outcomes that support growth, and address those challenges the city is facing.

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Closer working with key stakeholders is central to the successful delivery of the strategy, building on existing networks to improve engagement with communities, businesses, third sector organisations and strategic partners.

The strategy also builds on a strong foundation of achievements delivered in previous years, including over £190m of savings since 2012, increased capacity and skills, embedded co-production and collaboration and improved

sustainable outcomes. These achievements will still be important in the coming years, and the principles remain a core element of the strategy, but as the Council looks to address key challenges of poverty, citizen well-being and climate change the central priorities for the Council's procurements must align and support wider outcomes.

The core focus moving forward will be:

- Fair Work – improving ethical employment, including suppliers paying the Living Wage
- local spend – improving growth in the city by helping small and medium sized enterprises (SMEs), social enterprises, the voluntary sector and supported business to grow with support for tendering
- community benefits – supporting local jobs, training and the capacity building of local supply chains
- carbon-neutral – contributing to the Council targets through embracing new technologies and close working with key partners.

By delivering in these areas and continuing to seek financial savings and Best Value outcomes, the Council can be confident that its procurement activity will benefit all stakeholders.

Councillor Alasdair Rankin

Convener of Finance and Resources Committee

Introduction and procurement vision



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Edinburgh is a city full of vibrancy and opportunity. As a Council, we are working hard to ensure that all residents can share in Edinburgh's success. However, despite economic growth, over 20% of our children remain in poverty and one in six households still have no adult in work. Supporting the most disadvantaged in our society to progress and prosper remains one of the most critical

challenges the city faces. At the same time, the environment within which Edinburgh's economy operates is undergoing significant change. We need a refreshed strategic approach to the Council's procurement activity, to help the city adapt to new economic relationships emerging post-Brexit, to transition to a low carbon economy, and to manage the impacts and

opportunities arising from technological change and a growing city. Importantly, with the well-documented pressure on public finances, we also need to continue to ensure we are securing Best Value by purchasing only what we need to and managing our suppliers effectively through robust contract management.

This strategy takes account of that wider context, and recent developments in the local and national policy framework, that now more clearly recognize the important role that public sector procurement has in assisting the Council to deliver its key outcomes.

Backed by a strong focus on compliance with the regulatory framework, and the Council's internal controls, this strategy will help ensure the Council's purchasing activity supports sustainable growth and protects our environment, while also confronting the challenges that Edinburgh is facing.

Dr Stephen S. Moir
Executive Director of Resources

Council's Procurement Vision

To be a leader in Scottish public sector procurement and contract management, with a high-performing customer-focused Commercial and Procurement Services team that identifies, creates and secures significant financial and non-financial benefits for the city of Edinburgh. A team that works collaboratively with colleagues, key partners and citizens, and visibly drives positive change within the Council.

This vision statement has been developed by the Council's procurement team to support implementation of this strategy and delivery of its key objectives.

Strategy rationale and context

Recent changes to procurement regulations and statutory duties are now embedded and public sector procurement has a greater role than ever before in supporting delivery of key social, economic and environmental outcomes. The potential impact of Brexit will not bring immediate change to these regulations and duties but may have a bearing on markets we engage with to support Council objectives.

In 2019 the Council launched a new programme of change designed to respond to the opportunities and challenges facing the city, now and in the future. This programme is already transforming the way services are delivered. With a particular focus on tackling poverty, promoting sustainability and improving residents' wellbeing, it is designed to guide all savings and spending decisions the city makes between now and 2023.

The Council currently spends over £600million per annum on goods, services and works and in supporting this programme it is critical that the spending power of the Council is utilised to influence and actively promote positive change.

Key areas of the Economy Strategy – Enabling Good Growth where procurement has potential influence include the Council's commitment to Fair Work practices and low carbon economy and supporting benefits through City Region Deal and other capacity building projects.

The previous strategy was aligned to the Council's Business Plan 2016-2020 and the Commercial Excellence Programme and delivered many improvements and benefits.

These included:

- saving and Best Value outcomes
- improvements in processes and policies
- increased expertise, capacity and effectiveness
- more co-production of services
- sustainability focus
- innovative ways of working.



The strategy will also support delivery of the Scottish Government’s National Outcomes. In particular, using the Scottish Government’s National Performance Framework, this strategy will help drive the following National Outcomes:

- Fair Work and business: We have thriving and innovative businesses with quality jobs and fair work for everyone
- Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy

Environment: We value, enjoy, protect and enhance our environment

This new strategy is a natural development of what was achieved under the previous one, reflecting the evolving nature of public sector procurement and the Council’s current priorities.

Supporting Council objectives

A great city

With a host of cultural attractions, a lively festival scene, low crime rates, generous green spaces, pre-eminent educational institutions, award-winning bus and tram services and good work life balance, our reputation as one of the best places to live is testament to how much we, as a city, are getting right.

And while we can feel proud of our world-class status and our city's ever-growing popularity, we must also recognise and address the pressure on our core services and on the people who live and work here. We have a responsibility to manage that impact while promoting the jobs and cultural opportunities that tourism provides.

Good growth

We have the strongest city economy in the UK outside London – embracing the jobs of today and the opportunities of tomorrow. Unemployment rates remain low and our jobs market remains diverse and forward-looking.

This success makes our city better, but jobs growth alone has not been sufficient to tackle poverty and deliver sustained improvements in living standards for everyone – which is why promoting innovation and inclusion will remain at the heart of everything we do. And why this council will explore every opportunity to share the benefits of this success more fairly across our communities.

... and how to manage it

Our city's attractiveness contributes to its continued growth: by 2023, there will be 4,000 more children in our schools and our total population will have increased by 23,000 people. These people need somewhere to live; somewhere to call home.

Through one of the most ambitious council-led housebuilding programmes in the UK, we are transforming residents' lives and creating places where people want to live, work and play but challenges remain.

In particular, we need to address the increasing impact of climate change on our city. We are committed to change, which is why we have set a hugely ambitious target for Edinburgh to be carbon neutral by 2030.

We are embracing more active transport solutions, improving access for cyclists and pedestrians, re-imagining our city centre and its purpose, improving connections to the major areas of employment – making a dramatic difference to our residents as our city continues to grow.

Tackling poverty

But there is another side to this city: today, one in five children is growing up in poverty, high housing costs are a challenge for many low and middle-income households and the life expectancy in our wealthiest areas is 21 years higher than in the poorest parts. The life chances of people across Edinburgh are still influenced too much by where they are born and not enough by their talent and ability.

We need to grow and promote our economy so that it's fairer in terms of wages, working practices, access to housing, education, training and careers – ensuring that all residents have access to the opportunities being created; the opportunity to succeed and to share in our city's success.

The future of this city must be one where our economic growth is sustainable, inclusive and tackles the poverty which remains an unnecessary blight on our society today.

Early intervention and prevention

We are focusing on improving wellbeing, increasing social inclusion, and helping residents and their families to make informed choices and take greater control of their own lives.

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By providing the right services at the right time – ensuring that help is coordinated as early as possible – we can help citizens to live healthy, independent lives with a reduced need to rely on services.

Every child is entitled to the best start in life and we're determined to improve attainment and achievement for our young people. Investing in schools, early years centres and first-class teaching and support is key to giving every child the chance to learn and to flourish.

A city that works for all

We provide services that touch everyone's lives, from bin collection to schools and from community centres to care for our elderly and most vulnerable citizens. It is our job to provide these services as effectively as we can while delivering value

for money. In a world of increasing pressures and constraints, this means taking tough choices about the services we provide and how we deliver them.

We are doing this by embracing the opportunities that technology brings; by reshaping the way we deliver services, bringing them together with those of our partners to make it easier to meet local needs; by putting communities and residents at the heart of everything we do and empowering them to play a greater role in the running of their council – and their city.

A city that works for all.

The Council has agreed ambitious goals to deliver a thriving and united city in which all residents can share in its success.

Procurement's role in delivering this

Procurement will support departments across the Council by ensuring the requirements for goods, services and works are procured in a way that supports the Council objectives and maximises the opportunity for effective and efficient successful outcomes that deliver Best Value.

The key priorities that have been identified are those that align with Council aims to tackle poverty through Fair Work, initiatives that grow opportunities and capacity in the city, use community benefit spend to support disadvantaged communities and contribute to the impact of climate change on the city.

Key strategic objectives

This strategy sets out the Council’s key strategic procurement objectives:

- 1 Making procurement spend more accessible to local small businesses and third sector
- 2 Improving Fair Work practices adopted by suppliers
- 3 Increasing community benefits delivered by suppliers
- 4 Contributing to the Council’s 2030 carbon-neutral city target
- 5 Deliver savings and Best Value outcomes
- 6 Ensuring legal compliance and robust and transparent governance
- 7 Promoting innovative and best practice solutions

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1 Making procurement spend more accessible to local small businesses and third sector

Aim

- To ensure the procurement team and wider council officers consider how we support the local economy by making proportionate decisions about the market options for local business and third sector organisations to access public spend

We will do this by

- Increasing engagement, working with key business and third sector to support “meet the buyer” events, workshops and awareness of contract opportunities
- Working with wider Council delivery organisations such as Edinburgh Leisure to support these objectives
- Exploring alternative advertising routes to reach those not registered on Public Contracts Scotland
- Continuing to apply lotting strategies that support small business
- Supporting facilitation of sub-contract opportunities by suppliers
- Exploring the use of speedy payment options for small business
- Considering longer contract advertising periods where consortia opportunities exist

We will demonstrate delivery by

- Maintaining and improving the volume of local businesses accessing and being successful in Council procurement opportunities

2 Improving Fair Work practices adopted by suppliers

Aim

- To ensure Fair Work outcomes are promoted internally and externally and procurement is used to influence and increase positive fair work and socially-responsible outcomes which benefit the city by addressing poverty and inequality.

We will do this by

- Improving training and awareness for Council staff and bidding organisations
- Seeking to apply the Fair Work criteria to every tender with a wider focus on ethical practices
- Applying appropriate weightings in the evaluation of tenders
- Delivering Council commitments to modern slavery and construction industry practices
- Adopting new Fair Work First guidance and other tools which support raising awareness and delivery of best practice

We will demonstrate delivery by

- Increasing the number of more socially responsible businesses delivering Council contracts and an increase in supplier living wage accreditation

3 Increasing community benefits delivered by suppliers

Aim

- To build on community benefits delivered to date by increasing the volume and value added to local communities through wider social, economic and environmental outcomes.

We will do this by

- Increasing awareness and education of community benefits through early engagement in tender opportunities
- Working with stakeholders such as City Region Deal partners to ensure consistency in application and priorities
- Tailoring the community benefits being sought to the sector involved and the priorities for the Council with an emphasis on outcomes that can easily be delivered
- Monitoring ratio of spend against community benefits offered to inform the minimum requirement level imposed by the Council
- Reviewing scoring methodologies and applying best practice to achieve added value outcomes for the city

We will demonstrate delivery by

- Increasing the volume and value of community benefits secured through Council contracts

4 Contributing to the Council's 2030 carbon-neutral city target

Aim

- To support the city target we will work with Council officers and external partners to deliver opportunities that help address the climate change challenge and a circular economy agenda.

We will do this by

- Seeking expert support such as from Zero Waste Scotland in educating and awareness raising for Council staff involved in tendering and managing contracts
- Engaging with suppliers and experts to understand carbon-reducing actions that can be delivered in different contract sectors and building into specifications
- Increasing whole-life costing approach to evaluation criteria and learn from others through best-practice forums
- Considering potential for reuse, repair and recycling of goods and materials in scoping requirements on a routine basis to prevent waste
- Adopting industry standards to ensure consistency in approach with the market and clear measurement tools understood by all

We will demonstrate delivery by

- Identifying and reporting on procurement contribution to reductions in carbon impact

5 Delivering savings and Best Value outcomes

Aim

- To support the Council budget savings and improve the value achieved from third party delivery we will work closely with our customers and key stakeholders to improve efficiency and reduce expenditure.

We will do this by

- Working together to identify opportunities and challenge current models of delivery
- Challenging the demand for goods and services and seeking to rationalise core requirements
- Engaging markets, benchmarking values and collaborating when appropriate with city partners or wider
- Supporting robust contract management actions to ensure contracts deliver to financial and non-financial performance requirements, including contractual commitments around social value and community benefits
- Applying whole life costing models to ensure end-to-end requirements are included
- Working with suppliers to mitigate the risk to the Council's supply chain from the UK leaving the European Union

We will demonstrate delivery by

- Identifying and reporting on procurement contribution to effective and efficient outcomes that achieve savings targets

6 Ensuring legal compliance and robust and transparent governance

Aim

- To ensure all procurement staff and Council officers involved in procurement processes have full awareness of the impact of the regulations and contract standing orders which apply to procurement activity.

We will do this by

- Training officers in the procedures and policies which must be considered to ensure compliance requirements are met
- Providing regular updates for specialist staff on changes to regulations, case law, statutory guidance, policy and social value outcomes
- Reviewing standard documentation to reflect regulatory changes and best practice
- Reviewing and improving controls within the procurement remit to ensure compliance with purchase systems and procedures, including the Contract Standing Orders
- Ensuring regular reporting of procurement activity and compliance to committee

We will demonstrate delivery by

- Submitting the annual procurement report to committee each year, submitting regular reports to committee on contract awards and giving confidence internally and externally that regulations are complied with and mitigate the scope for procurement challenge

7 Promoting innovative and best practice solutions

Aim

- To seek opportunities for innovative solutions for products, services or works required by the Council and challenge the market to offer improved solutions.

We will do this by

- Engaging with clients at early stages of identification of need and scoping
- Seeking relevant examples of market innovations and sharing models and best practice
- Allowing the opportunity for variant bids where there is potential technological and market advancement
- Challenging the status quo

We will demonstrate delivery by

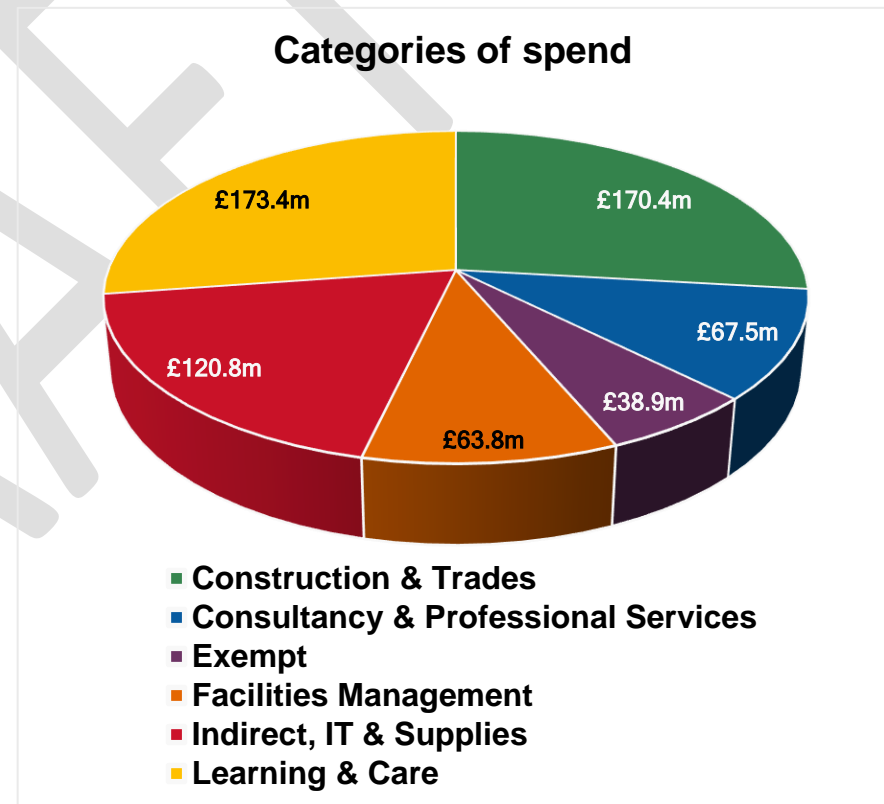
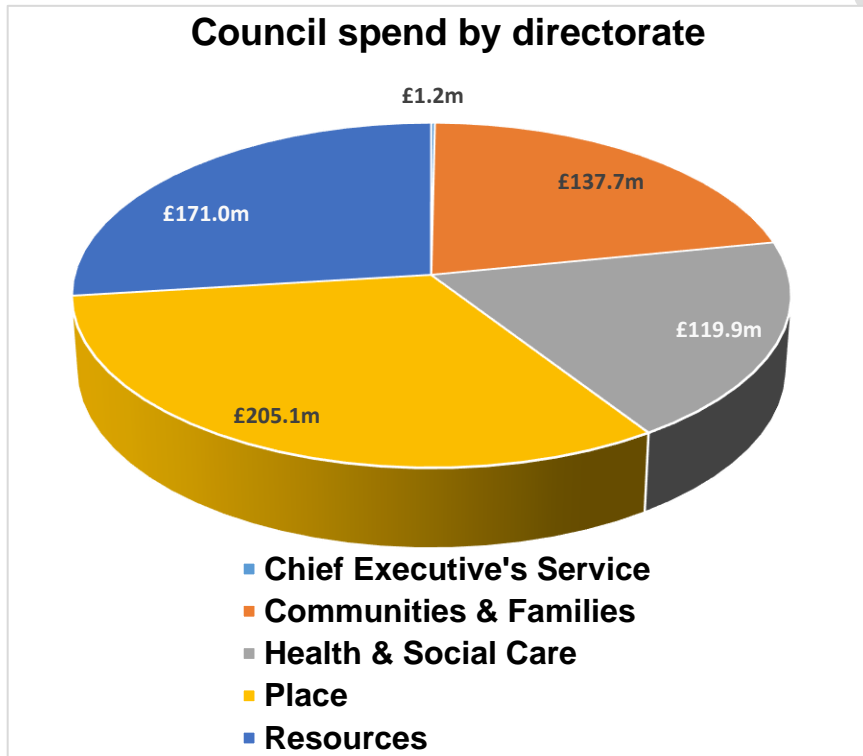
- Identifying and reporting on procurement contribution to new ways of delivering improved services and products that demonstrate improved value for the Council and citizens

Council spend profile

In 2018/19 the Council's spend with third parties was approximately £635 million. The first pie chart on this page shows the spend for each Council Directorate in 2018/19. The highest Directorate spend was in the Place Directorate (with £205.1m) followed by the Resources Directorate (with £171m) and then the Communities & Families Directorate (with £137.7m).

The second pie chart on this page shows the total Council spend broken down by category. The highest category of spend was learning and care (with £173.4m), the second highest category was construction and trades (with £170.4m) and the third highest was Indirect, IT and supplies (with £120.8m).

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Monitoring, reviewing and reporting

The strategy will be reviewed annually and reported to the Finance and Resources Committee.

The strategy has been the subject of public consultation and developed in consultation with key stakeholders, including the Federation of Small Businesses, Edinburgh Voluntary Organisations Council, Edinburgh Social Enterprise, Council officers and Council suppliers.

The Council will publish an annual procurement report on its procurement activities following the end of each financial year and submit the report to Scottish Government by the end of August. The report will include:

- a summary of the regulated procurements completed during the year
- a review of compliance with the strategic procurement objectives
- details where compliance was not achieved and actions to address that
- the community benefits imposed and fulfilled and

- a summary of the regulated procurements expected to commence in the next two financial years.

Performance in delivering the strategic objectives set out in this strategy will be monitored using an action plan (Appendix 3). The action plan will inform the Annual Report which will be reported to the Corporate Leadership Team (CLT) and Finance and Resources Committee

In addition:

- a six-monthly report on contracts awarded under delegated authority and the contract standing orders will be reported to Finance and Resources Committee
- regular monitoring of procurement activities will be reported on dashboard reports to the relevant Executive Directors and their management teams
- delivery of this strategy will be regularly reviewed by the Chief Procurement Officer.

Supplier support

The Council website 'Business' page provides information and further links to support for those interested in doing business with the Council.

The website contains key information including:

- Links to Public Contracts Scotland, the main portal used to advertise contract opportunities
- Details of key organisations the Council collaborates with on framework agreement opportunities including Scotland Excel and Scottish Procurement
- The Council contract register which provides details of 'live' contracts along with the dates these are due to end providing insight to future tenderers
- Details of the regulations that govern procurement activity
- Details about the Council payment terms and how to submit a valid invoice
- Details about the standard terms and conditions of contract
- The Council's Contract Standing Orders.

Wider support to those new to tendering for public contracts is available including:

- Business Gateway Edinburgh [Business Gateway](#)
- Supplier Development Programme [Supplier Development Programme](#)
- The Scottish Government's Supplier Journey [Supplier Journey](#).

The Council supports annual 'Meet the Buyer' events and will look to accommodate more local events which target support aligned to key priorities.

Future engagement will include opportunities for suppliers to feedback to the Council on an ad-hoc basis through dedicated supplier email account, in addition to the regular market engagement for specific projects and organised events.

Capacity and skills

To deliver the Council strategy the capacity and skills of procurement professionals and other officers will continue to be managed through:

- providing opportunities for modern apprentices and trainees to develop the skills needed
- supporting continuing professional development of experience individuals to ensure knowledge is up to date and aligned to developments in the sector
- engaging with other local authorities, public sector organisations and other relevant organisations to support knowledge transfer

providing mentoring, coaching and work shadow opportunities

developing and delivering in-house workshops, training and guidance to support commercial awareness and legislative knowledge

- continuing to assess procurement standards using the PCIP model and other self-assessment tools such as CIPFA benchmarking to ensure continuous improvement
- providing training and support in use of tendering applications such as Public Contracts Scotland and PCS-t (electronic tender, evaluation and contract management system)
- providing training and support around contract management.

The sustainability and Fair Work practice tools and guidance published by Scottish Government are currently being refreshed.

The Commercial and Procurement Service will attend workshops and briefings on the new tools and guidance and provide support to colleagues across the Council on the application of these to ensure best practice is achieved through procurement activity, with the Council's continuing to drive forward these important enablers.

Ownership and contact details



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Appendix 1 – Additional influencing factors

Legal framework

Public procurement activity in Scotland is governed by a legislative framework which includes:

- European treaties and directives
- Procurement Reform (Scotland) Act 2014
- Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016
- Utilities Contracts (Scotland) Regulations 2016
- Concessions Contracts (Scotland) Regulations 2016
- Case law.

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Procurement and Commercial Improvement Programme

The Council's procurement function is subject to regular audit by Scotland Excel on behalf of Scottish Government and endorsed by Audit Scotland. The Procurement and Commercial Improvement (PCIP) assessment reviews the strength of policies and procedures driving procurement performance in:

- leadership and governance
- development and tender
- contract
- key purchasing processes.

The Council is in the highest PCIP performance band and above the local authority average in 2019. Our procedures are designed around this programme which identifies best practice in the sector.

The Council will continue to engage with this programme and its future iterations.

Appendix 2 – Mandatory requirements of the Procurement Reform (Scotland) Act 2014 and Statutory Guidance Obligations

The Act specifies that the Council’s procurement strategy must include certain minimum requirements as to how the Council intends to ensure that its procurement activity will achieve particular outcomes.

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Requirements	Council response
<p>Procurements will contribute to the Council carrying out its functions and the achievement of its purposes</p>	<ul style="list-style-type: none"> ▪ Consultation was undertaken with lead officers in the Council to ensure the strategy was aligned to Council priorities and national outcomes and supports Council objectives ▪ Discussions and input from key stakeholders including Federation of Small Businesses, Social Enterprise Edinburgh, Edinburgh Poverty Commission, EVOC, Council suppliers and public consultation via the Council website resulted in high support for the key priorities which align to the economy and carbon-neutral strategies of the Council ▪ Effective consultation will continue to deliver the strategy and will also take place during procurement exercises to ensure priorities and Council outcomes continue to be delivered ▪ The delivery of regulated procurements against the strategy will be monitored to support achievement of the outcomes
<p>Procurements will deliver value for money</p>	<ul style="list-style-type: none"> ▪ Delivering savings and Best Value outcomes is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 5 ▪ Value for money will be delivered by ensuring the best balance of cost, quality and sustainability is applied to each procurement ▪ Whole life costing will be a key consideration on procurements ▪ Early engagement on market insights, innovations and benchmarking will inform purchasing strategies ▪ Proportionate application of regulations will ensure relevant markets are engaged, including SME, third sector and supported businesses ▪ In determining purchasing strategies there will be challenge of demand and identification of benefits and opportunities, including income generation ▪ Application of a robust contract management framework and guidance suite will deliver best practice approach to managing contract performance ▪ Added value will be delivered from community benefits

Requirements

Council response

Procurements will treat relevant economic operators equally and without discrimination

- Ensuring legal compliance is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 6
- Procurement activity will be delivered in accordance with the Council Contract Standing Orders which embed the key principles of relevant procurement legislation
- There will be engagement with economic operators who require extra support with bidding, building partnerships or consortia with support offered by Business Gateway, Supplier Development Programme, Social Enterprise Edinburgh, EVOC, Partnership for Procurement (P4P), British Association for Supported Employment (BASE) and other appropriate agencies

Procurements will be conducted in a transparent and proportionate manner

- Ensuring legal compliance is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 6
- Procurement activity will be delivered in accordance with the Council Contract Standing Orders which embed the key principles of relevant procurement legislation
- There will be work with sectors who identify barriers to participation in Council procurements to ensure proportionate approaches are applied in line with the key objectives to support SME, social enterprise, voluntary sector and supported businesses
- There will continue to be regular reporting to committee and publishing of contract opportunities and required information
- There will be the exploration of additional advertising opportunities to engage organisations more widely

Procurements will comply with the Council's sustainable procurement duty

- This is met by a number of the strategic objectives of the Council, further information being given earlier in key strategic objectives 1, 2, 3, 4 and 6
- There will be engagement with the Scottish Government and the application of new sustainability tools to support prioritisation and identification of opportunities for environment, social and economic outcomes
- Implementation of the strategic objectives in the strategy will deliver on key priorities which include Fair Work practices, positive local economic impact, increased community benefits and support to the climate change ambitions of the Council
- There will be improved monitoring, measurement and reporting on climate change and circular economy outcomes which procurement processes will enable Council service areas to achieve

A statement on the Council's general policy on the use of community benefit requirements

- Increasing community benefits is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 3.

Requirements	Council response
	<ul style="list-style-type: none"> ▪ The Council will increase the volume and value of community benefits secured and delivered by Council suppliers, further information being given earlier in key strategic objective 3 ▪ There will be improved monitoring and reporting using Cenefits software solution ▪ There will be guidance and engagement on proportionate opportunities to support local communities and other target groups
<p>A statement on the Council's general policy on consulting and engaging those affected by its procurements</p>	<ul style="list-style-type: none"> ▪ The Council has embedded co-production in its procurements using different approaches that align with the requirements and impact of change where appropriate. This is included in the Contract Standing Orders and will continue in the new strategy ▪ To ensure effectiveness, reviews will take place to identify what is working well and what can be improved to ensure communities, users of Council services and interest groups are involved in key procurements eg the provision of care to children and adults
<p>A statement on the Council's general policy on the payment of a living wage by suppliers</p>	<ul style="list-style-type: none"> ▪ Improving Fair Work practices is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 2 ▪ Living Wage monitoring is embedded in procurement procedures and will continue to be applied and reported ▪ The Fair Work First (FWF) initiative (an extension of the Fair Work Convention's Framework to drive success, wellbeing and prosperity for individuals, businesses, organisations and society) has been adopted to improve ethical work practices and Living Wage accreditation will be encouraged
<p>A statement on the Council's general policy on promoting compliance by contractors and sub-contractors with Health and Safety at Work etc Act 1974.</p>	<ul style="list-style-type: none"> ▪ Health and Safety, and the protection of workers and members of the public, is a very important consideration for the Council, and it is expected that Council contractors and sub-contractors will share the same approach ▪ Health and Safety criteria are included in the assessment of appropriate contracts and embedded in the procurement process and procedures ▪ Suitable terms and conditions to secure the necessary controls around Health and Safety are included in Council contracts ▪ The Council has adopted the Construction Charter, which is promoted and adopted in procurements, with related activity reported to Committee
<p>A statement on the Council's general policy on the procurement of fairly and ethically-traded goods and services</p>	<ul style="list-style-type: none"> ▪ The Council has a Fair Trade policy which promotes the purchase of fairly and ethically-traded goods and services, and Council procurement activity is aligned to that, the policy being kept under review and performance reported annually to committee ▪ The Council has also signed up to the International Fair Trade Charter

Requirements	Council response
<p>A statement on the Council's general policy on how it intends its approach to the procurement of food to improve health, wellbeing and education of its communities and promote the highest standards of animal welfare</p>	<ul style="list-style-type: none"> ▪ The Edible Edinburgh approach is applied to procurements for the provision of food, and supports the improvement of health, wellbeing and education of communities and high standards of animal welfare ▪ Opportunities for sustainable food purchasing will be considered and adopted where appropriate ▪ The Council will ensure all legislative requirements around food purchasing are complied with
<p>Payments will be made so far as practicable to contractors and sub-contractors no later than 30 days after invoice</p>	<ul style="list-style-type: none"> ▪ The Council's 30-day payment target is being achieved in approximately 95% of invoices and potential system improvements are being considered within the financial system upgrade programme ▪ Purchase cards are utilised to support speedy payment for small local purchasing where appropriate ▪ Project Bank Accounts are adopted for appropriate contracts to help secure sub-contractor payments ▪ Suitable contract terms and conditions are adopted

Appendix 3 – Strategy Action Plan

Objective	Performance Indicator	Actions	Target Date	Owner
Making procurement spend more accessible to local small businesses and third sector	Setting a baseline of 2019/20 outcomes, seek to improve local third party spend year on year with: <ul style="list-style-type: none"> • Small and Medium size Enterprises • Social Enterprises • Voluntary Organisations • Supported Businesses 	Engage local businesses, social enterprises, voluntary organisations and supported businesses through: <ul style="list-style-type: none"> • targeted “meet the buyer” events and supplier communication • regular communications with Economic Development team and external support networks for example Supplier Development Programme • explain Contract Standing Orders applied by the Council, for non-regulated spend and regulated spend • Data sources identified and monitored to assess results 	March 2021	Commercial and Procurement Service (CPS); Service areas; Partner agencies
		Explore alternative advertising routes: <ul style="list-style-type: none"> • identify and share information on opportunities using alternative social or other media eg partner websites • encourage PCS registration and use of support agencies to ensure better outcome 	March 2021	CPS; Agencies eg EVOC, Social Enterprise Edinburgh, P4P
		<ul style="list-style-type: none"> • Continue to apply lotting strategies, sharing good practice and measuring outcomes 	Ongoing	CPS
		Seek to address barriers identified including: <ul style="list-style-type: none"> • options to speed up payments • longer contract advertising periods for consortia opportunities • more opportunities to provide feedback 	March 2021	CPS; Service areas

Objective	Performance Indicator	Actions	Target Date	Owner
Improving Fair Work Practices adopted by suppliers	Fair Work evaluations in every Council tender;	<ul style="list-style-type: none"> Refresh and deliver Fair Work First training and awareness to Council staff involved in procurement and bidding organisations Ensure new tenders include Fair Work evaluation criteria Minimum weighting of no less than 5% in evaluation of tenders to influence improvement in ethical practices, adopting a higher % where appropriate Ensure modern slavery and construction charter fair and ethical work practice principles are applied 	September 2020	CPS; Service areas
	Increase Living Wage Accredited Suppliers	<ul style="list-style-type: none"> Inform and encourage organisations on 'Real Living Wage' and adopting accreditation Explore incentives such as positive publicity to support those already paying Real Living Wage to become accredited Monitor, record and report outcomes achieved in the Annual Procurement Report 	March 2021	CPS; Service areas
Support for Fair Trade	Increase in Fair Trade products procured	<ul style="list-style-type: none"> Review and update Fair Trade policy Identify scope of Fair Trade products suitable for Council purchasing and work with service areas to increase usage Monitor, measure and report outcomes achieved in the Annual Procurement Report 	March 2022	CPS; Service areas

Objective	Performance Indicator	Actions	Target Date	Owner
Increase community benefits delivered by suppliers	Increase in the community benefit outcomes and widen the agenda to increase economic, social and environment activities	<ul style="list-style-type: none"> Update guidance and support for Council staff to engage, define and include community benefits in regulated procurements which are proportionate to the type and term of opportunity to be advertised Seek consistency eg with City Region Deal partners on application of community benefits Consider options that meet priorities and improve community benefit deliverables through alternative means, eg opportunities to utilise One City Trust to support community investment 	October 2020	CPS
		<ul style="list-style-type: none"> Engage with communities and interest groups on the opportunities that will support poverty through jobs and training, capacity building of local organisations and environmental solutions to improve communities and address carbon impact. 	August 2021	CPS; Service areas
		<ul style="list-style-type: none"> Review evaluation methodologies and apply a default weighting of 10% for community benefits, which % could be higher or lower as appropriate to the type of contract 	March 2021	CPS
		<ul style="list-style-type: none"> Monitor secured and delivered outcomes using Cenefits software Require suppliers to register with Cenefits to report outcomes Report achievements and alert concerns to contract managers/senior officers for action including through contract management compliance reviews 	March 2021	CPS; Service areas

Objective	Performance Indicator	Actions	Target Date	Owner
Contributing to the Council's 2030 carbon-neutral city target	Carbon impact reduction is identified through procurement activity	<ul style="list-style-type: none"> Educate Council staff on identification of opportunities and utilising sustainability tools to provide clear criteria and measures for outcomes achieved 	March 2021	CPS; Service areas
		<ul style="list-style-type: none"> Engage with experts eg Zero Waste Scotland to provide best-practice guidance on project and Council wide opportunities for example reducing single-use plastic in food and drinks delivered to Council services 	October 2020	CPS; Service areas
		<ul style="list-style-type: none"> Update Council's Sustainable Procurement Policy to align with current priorities and new assessment tools Review and amend relevant procedures and templates 	December 2020	CPS
		<ul style="list-style-type: none"> Share good practice and apply whole-life costs to tender evaluations 	March 2021	CPS
		<ul style="list-style-type: none"> Work with services and supplier markets to identify appropriate industry standards to include in specifications prior to tendering, and encourage suppliers to consider carbon impact reduction in their own supply chains 	March 2021	CPS; Service areas
		<ul style="list-style-type: none"> Attend and contribute to Scottish Government Climate Change Forum and internal Sustainability Board, and share best practice and insight 	March 2021	CPS

Objective	Performance Indicator	Actions	Target Date	Owner
Delivering savings and Best Value outcomes	Cash and non-cash savings achieved	<ul style="list-style-type: none"> • Seek to secure £10m total of new savings per year (some of which may be realised in future years) from new tenders or contract re-negotiation activity • Seek to understand current delivery models and work with colleagues and collaborate with partners on new delivery models • Engage markets to benchmark current models and alternatives • Identify and apply whole-life costings to price evaluations • Work with service areas to improve contract management across the Council, including through (i) support to service areas with the monitoring and management of the Council's most significant contracts, (ii) training to service areas on contract management, (iii) reporting contract management concerns to senior management teams through monthly Directorate dashboards and (iv) conducting between 5 and 10 contract management compliance reviews each year (spread across each Directorate in a suitable manner) • Monthly procurement/P2P/contract management dashboard reporting to Directorate senior management teams • Work with suppliers and service areas to mitigate risk to Council supply chain from UK leaving the European Union • Monitor spend to ensure best practice solutions are adopted 	March 2021	CPS; Service areas

Objective	Performance Indicator	Actions	Target Date	Owner
Ensuring Legal compliance and robust and transparent governance	No successful legal challenge to Council's procurement activity	<ul style="list-style-type: none"> • Provide training for specialist and non-specialist staff involved in procurement and contract management activity • Deliver ongoing programme of refresh on key skills required and upskill with relevant changes in law • Ongoing regular reporting to committee of contract awards and the annual procurement report • Annual review of Contract Standing Orders and Grant Standing Orders • Annual review of standard contract terms and conditions • Ongoing review of procurement template and standard documents 	March 2021	CPS
Promoting innovative and best practice solutions	Delivery of service area requirements which are met through technological advancement/changes in best practice	<ul style="list-style-type: none"> • Early engagement, working with service areas to consider innovation options • Share best practice and seek market innovation opportunities • Scope the potential to seek variant models that meet the desired outcomes 	March 2022	CPS; Service areas

Appendix 4 – Glossary

Term	Definition
Best Value	The legal duty to secure continuous improvement in the performance of the Council's functions as set out in section 1 of the Local Government in Scotland Act 2003.
Circular economy	A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit
Commercial awareness	Evidence of commercial acumen. Awareness of the need for efficiency, cost-effectiveness, customer/stakeholder support, a knowledge of the sector and the services the organisation provides and will provide in the future, considering the strategic objectives, current economic climate etc. A track record of appropriate procurement skill and experience, evidence of on-going/continual training and development. (desirable and post/org specific) professional qualification/undertaking or willingness to undertake as appropriate.
Community Benefits	Requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to jobs, training and other social-economic and/or environmental benefits.
Contract Management	The process of monitoring the performance of a supplier to contract.
Co-production	The real and meaningful involvement of citizens including future recipients of the service, key stakeholders and suppliers (both current and potential) in how and what community services and related goods and works are delivered with regard to the National Standards for Community Engagement.
Fair Work First	Working with Employers and Partners to deliver investment in skills and training, no inappropriate use of zero hours contracts, action on gender pay, genuine workforce engagement, including with trade unions, and payment of the real Living Wage.

Term	Definition
Flexible Framework	A self-assessment mechanism that allows organisations to measure and monitor their progress on sustainable procurement over time.
Framework Agreement	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
National Outcomes	Describe what the Government wants to achieve over the next ten years, articulating more fully this Government's purpose. They help to sharpen the focus of government, enable our priorities to be clearly understood and provide a clear structure for delivery. Read more about the National performance Framework outcomes.
Public Contracts Scotland	The national advertising portal used to advertise all Scottish public-sector goods, services or works contract opportunities.
Regulated Procurements	Contracts above contract threshold values where the relevant regulations apply (above £50,000 for goods and services contracts and above £2,000,000 for works contracts).
Small Medium Enterprise (SME)	Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
Social Enterprise	A revenue-generating business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Supplier /Contractor	An entity who supplies goods or provides services or execution of works.
Supply Chain	All activities, resources, products and the like involved in creating and moving a product or service from the supplier to the procurer.

Term	Definition
Supported Business	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
Third Sector	Part of an economy or society comprising non-governmental and non-profit-making organisations or associations.
Whole Life Costing	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Revenue Maximisation Project Update

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 The Committee is recommended to note the update on the Revenue Maximisation project work in readiness for the 2020/21 financial year and to delegate authority to the Executive Director of Resources, in consultation with the Convenor and Vice-Convenor of Finance and Resources, to appoint an appropriate partner.

Stephen S. Moir

Executive Director of Resources

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Revenue Maximisation Project Update Report

2. Executive Summary

- 2.1 This report provides the Committee with an update on the Revenue Maximisation project work that has been undertaken since last reported to Committee in 2019.

3. Background

- 3.1 The Council, like other local authorities, has been exploring how additional income might be secured, to assist in offsetting current and future financial pressures.
- 3.2 In 2019 EY were engaged to assist with this and undertook some focused diagnostic work. This work resulted in a report to the Finance and Resources Committee on [10 October 2019](#). The Committee: (i) endorsed 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, (ii) endorsed 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, and (iii) agreed that the Executive Director of Resources would provide an update report to the Committee in March 2020.
- 3.3 The action note from the October Committee noted that the update report in March would consider points made by Councillor Neil Ross, namely that (i) there be an assessment made on any proposals regarding impact on the local community, (ii) there should be full cost recovery in the long term for asset use, (iii) going beyond Council competency should be avoided, (iv) the Council should not be in competition with the private sector and (v) it should be ensured that World Heritage status is not damaged.
- 3.4 Within the Council's Budget for 2020-21 and in each of the following two financial years, there is an income generation target across the Council of £0.5m.

- 3.5 The work undertaken by EY has identified a number of potential income opportunities, drawn from right across the Council. However, these options need much more detailed analysis, including to (i) better assess potential income levels, (ii) remove options that are not practicable and (iii) assess possible implementation costs.

4. Main report

- 4.1 Commercial and Procurement Services (CPS) have assessed how best to secure a partner to take forward this work with the Council and, at the same time, ensuring compliance with the relevant regulations and the Council's own internal governance framework.
- 4.3 It is the recommendation of CPS that a mini competition is undertaken, and a preferred partner be selected from the [ESPO Consultancy Framework](#). It has been assessed that there are suppliers available on this framework that should have the skills and experience the Council requires. In addition, and while there is the ability to undertake a direct award, a mini-competition will ensure competitive tension and enable the Council to further demonstrate that such a selection secures Best Value.
- 4.4 It is proposed that the general scope of the service required by the Council would be as follows:
- Develop and implement, and also project manage the delivery of, a Revenue Maximisation Project across the Council, with a structured programme that builds upon the work undertaken to date and the list of potential income options it identified;
 - Financial success for the Project is the delivery of new general revenue budget income, of at least £0.5m in each of the next three financial years, commencing in 2020/21, i.e. such income having a cumulative value of at least £1.5m over the next three financial years, which income will be net of implementation and delivery costs, and be recurring in future FYs.
 - Non-Financial success for the Project is (i) an increase in the number of officers who have the necessary skills to take such work forward, (ii) a change in the culture of the Council to one that considers it "business as usual" to actively explore and assess such revenue generation opportunities and (iii) a programme that will enable delivery of additional new revenue budget income even once the partner's contract has expired;
 - The Edinburgh Integration Joint Board / Health and Social Care Partnership is excluded from the scope of the Project, as is potential additional income from (i) Council Tax, (ii) the Transient Visitor Levy, (iii) the Workforce Parking Levy, (iv) the Council's standard annual increases in fees and charges and (v) any other new general revenue budget income proposals that are already being worked on and budgeted for;

- The appointment will be for 1 year, with an option for the Council to extend it for up to 2 further years, i.e. up to 3 years in total; and
- The partner will be expected to have a suitable number of dedicated people embedded in Council offices.

4.5 It is proposed that some of the general commercial terms of the service could be as follows:

- The partner would be paid on a gainshare basis, i.e. paid in arrears on the basis of new general revenue budget income, net of costs, which is invoiced by the Council in each FY (here referred to as “Net Income”), with the mini-competition enabling potentially interested partners to submit their most competitive bid;
- The Council would agree to paying gainshare from year 1 of the contract, and for up to the earlier of (i) 2 years after the contract has ended and (ii) 3 years after the proposal in question was implemented, with gainshare being no more than 10% of the Net Income;
- The Council would have absolute discretion over whether or not to approve any income generation proposal for implementation;
- The Council shall retain ownership of all intellectual property rights associated with the Project; and

4.6 In order for this to be taken forward, the Chief Procurement Officer will act as the programme manager for the Council, with the Executive Director of Resources as Senior Responsible Officer. Consideration will also be given to the need for any additional internal project management support, to help drive this forward.

4.7 The points previously raised by Councillor Ross, as referred to at paragraph 3.3 of the report, would form part of the specification for the services to be provided by the partner.

5. Next Steps

5.1 Subject to the endorsement of the Committee the next steps would be that the mini-competition will be progressed and a preferred partner identified.

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 the detailed phase diagnostic work, alongside the Chief Procurement Officer and Finance staff. Future costs, subject to an award being made, will be required to be discussed by the Executive Director of Resources and the Head of Finance in respect of this being funding corporately or from the Resources Directorate budget initially.

7. Stakeholder/Community Impact

7.1 Not applicable at this stage.

8. Background reading/external references

8.1 Not applicable.

9. Appendices

9.1 None.

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Capital Strategy 2020-30 – Annual Report

Item number
Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 To note the Capital Strategy, as set out in Appendix 1, and refer to full Council for approval;
- 1.2 To note the potential implications of International Financial Reporting Standard (IFRS) 16 – Leases on future iterations of the Capital Strategy; and
- 1.3 To note that the Council has set an ambitious target for Edinburgh to be a Carbon Neutral city by 2030 which will inform all future capital budget considerations.

Stephen S. Moir

Executive Director of Resources

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Finance Division, Resources Directorate

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Capital Strategy 2020-30 – Annual Report

2. Executive Summary

- 2.1 This report sets out the proposed capital strategy, which provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.

3. Background

- 3.1 Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003. The Prudential Code was revised by CIPFA in 2017. A key element of the revised code is that local authorities should have a long-term capital strategy in place that sets out the long-term context in which capital and revenue decisions are made.

Capital Budget Strategy 2020-30

- 3.2 The Capital Budget Strategy 2020-30 is a separate report which was presented to Finance and Resources Committee on 14 February 2020. It 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 additional funding included the Wave 4 schools programme, additional infrastructure required due to population growth and demography as well as increased investment in the Council's existing estate.
- 3.3 At its meeting on 20 February 2020 Council approved the Capital Budget Strategy 2020-30. The approved Capital Budget Strategy 2020-30 will deliver a total programme of capital expenditure of £2,324.786m to 2029/30.
- 3.4 This report sets out the Council's capital strategy and builds upon the capital strategy annual report approved by Council on 14 March 2019.

4. Main report

- 4.1 In order to deliver Council priorities and for the city to grow in a sustainable way, the Council needs to invest in its existing assets as well as creating new ones. The capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local

public services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.

4.2 The capital strategy is a high-level document, which brings together a number of other key Council strategies. It should be read in conjunction with the following plans and policies

- [Programme for the Capital: Council Business Plan for 2017/22](#)
- [2050 Edinburgh City Vision](#)
- [Council Sustainability Programme Short Window Improvement Plan](#)
- [Local Development Plan](#)
- [Local Development Plan Action Programme](#)
- [Capital Budget Strategy 2020-30](#)
- Annual Treasury Management Strategy 2020/21 (on same agenda)
- [Housing Revenue Account Budget Strategy 2019-24](#)
- [Corporate Asset Strategy](#)
- [Property and Asset Management Strategy](#)
- [Transport Asset Management Plan](#)

4.3 In addition to the statutory background, Edinburgh and the Council's role and the Council's Vision and Corporate Strategy, the capital strategy covers the following areas;

- Capital Expenditure and Financing (the Council's capital expenditure plans, and the corresponding financing requirement);
- Treasury Management (how the Council keeps sufficient but not excessive cash to meet the Council's spending needs, while managing risks involved);
- Other investments and long-term liabilities (the Council's non-treasury investments and other liabilities); and
- Knowledge and Skills (the professional skills and knowledge contained within the Council's accounting, treasury and property teams, as supplemented by external advisers).

4.4 The Council will need to adhere to International Financial Report Standard (IFRS) 16 - Leases from the start of financial year 2020/21, with information also prepared for a disclosure note in the 2019/20 Annual Accounts.

4.5 The introduction of IFRS 16 within the Accounts will have a significant impact on the balance sheet from its introduction in 2020/21. This will subsequently have an impact on the Capital Financing Requirement (CFR) as from the 2020/21 financial year. Therefore, it should be expected to see an increase in the CFR in future years.

4.6 The full capital strategy is included in Appendix 1.

5. Next Steps

5.1 This report will be referred to full Council for approval of the capital strategy. The strategy will be updated on an annual basis, with this being the second iteration.

6. Financial impact

6.1 There are no direct financial implications arising from this report. The implications of the expenditure and investment plans contained in the strategy were considered at the Council's budget setting meeting on 20 February 2020.

7. Stakeholder/Community Impact

7.1 The capital strategy is a high-level document which brings together a number of other Council strategies, each of which is the result of appropriate community engagement.

7.2 Approval of the capital strategy, ensures the Council continues to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003.

7.3 There are no sustainability impacts directly arising from this report.

8. Background reading/external references

8.1 [Capital Investment Programme 2009-2019](#), Policy and Strategy Committee, 4 November 2008

8.2 [Local Development Plan Action Programme](#), January 2019

8.3 [Capital Investment Programme 2019/20 to 2023/24](#), Finance and Resources Committee, 1 February 2019, as amended by the Council's budget meeting of 21 February 2019

8.4 [Corporate Asset Strategy](#), Corporate Policy and Strategy Committee, 12 May 2015

8.5 [Property and Asset Management Strategy](#), Finance and Resources Committee, September 2015

8.6 [Transport Asset Management Plan \(TAMP\)](#), Transport and Environment Committee, 6 December 2018

8.7 [Update on Short Window Improvement Plan](#), Policy and Sustainability Committee, 25 October 2019

8.8 [Capital Budget Strategy 2020 – 2030](#), Finance and Resources Committee, 14 February 2020

- 8.9 [Council's Change Strategy – Planning for Change and Delivering Services 2020/23](#), Finance and Resources Committee, 14 February 2020
- 8.10 [Housing Revenue Account Budget Strategy 2019-24](#), Finance and Resource Committee, 14 February 2020
- 8.11 Treasury Management Strategy 2020-21, Finance and Resources Committee, 5 March 2020

Appendices

Appendix 1: Detailed Capital Strategy 2020-30

Appendix 1: Capital Strategy 2020-30

1. Introduction

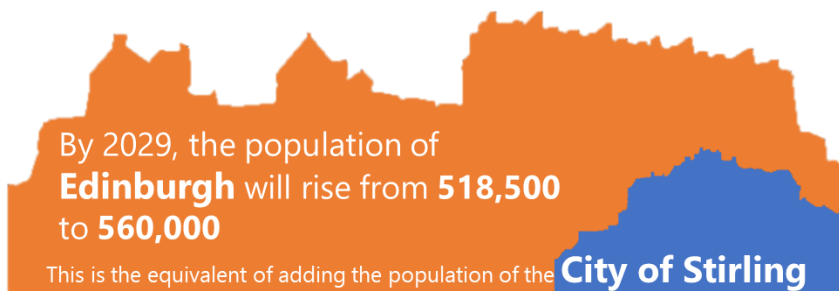
- 1.1 The Capital Strategy for City of Edinburgh Council provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.
- 1.2 The Strategy takes a long-term view and covers the period from 2020 to 2030.
- 1.3 The Council Change Strategy: Planning for Change and Delivering Services 2019-23 reported to Finance and Resources Committee on 10 October 2019 set out the intention to set a policy-based budget through the lenses of poverty, well-being and sustainability with key messages for this year's budget approach linked to these important issues.
- 1.4 The climate emergency has led to the Council setting a new and ambitious target to be carbon neutral by 2030 within a legal context for Scotland being carbon neutral by 2045. This has already led to some significant strategic decisions in respect of the City Development Plan Choices document, the City Mobility Plan and specific investment programmes such as the plan to design and build Currie High School to Passivhaus certified standard.
- 1.5 The Council is being supported by the Edinburgh Centre for Carbon Innovation to develop a carbon scenario tool that will augment current business case analysis of major Council projects and capital investment. This strategy will continue to be review on the basis of this work and wider needs to deliver the 2030 zero carbon target.
- 1.6 Explicitly adopting these policy priorities as a focus for the development of the Council's capital budget is a helpful development of the Council's wider Change Strategy.
- 1.7 These policy priorities have also been adopted within the Capital Strategy 2020-30.

2. Statutory Background

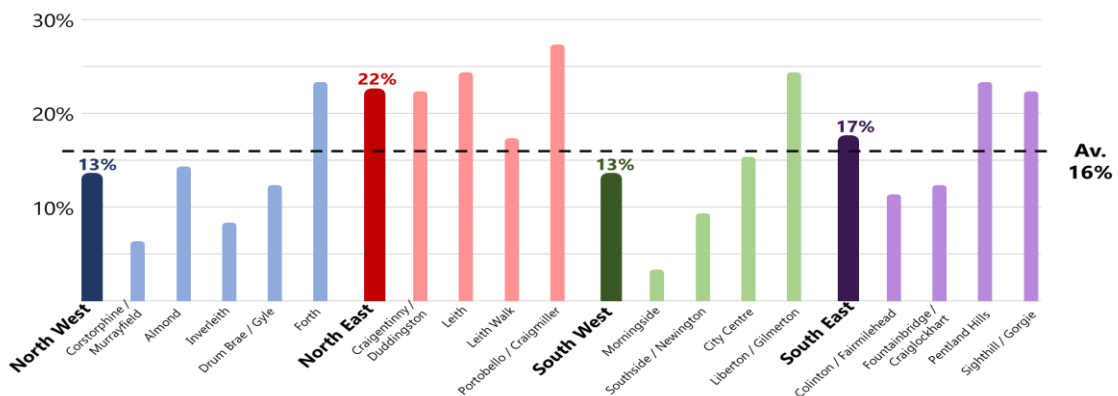
- 2.1 Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003. The Prudential Code was revised by CIPFA in 2017. A key element of the revised code is that local authorities should have a long-term capital strategy in place that sets out the long-term context in which capital and revenue decisions are made.

3. Edinburgh and the Council's Role

- 3.1 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 our success. We will keep investing in the things that support and sustain growth while confronting the challenges that come with it.
- 3.2 Edinburgh has seen significant population growth, with a 12.2% increase between 2006 to 2016, compared to a national rise of 5.3%. In 2021 it is forecast that the number of people aged 65 and over will overtake the number of people aged under 18. In comparison to 2018, by 2023 there will be 4,000 more children in our schools and our total population will have increased by 23,000 people.



- 3.3 This growth will place further demand on a range of frontline services, as such, the Council's budget framework continues to provide additional annual sums in respect of growing numbers of school pupils, at-risk children, older people and those with physical and/or learning disabilities.
- 3.4 A growing population is one of the most visible signs of the city's economic success. However, not all of our citizens share in that success and alongside our affluent areas, the city contains some of the most deprived communities in Scotland. We know that over 80,000 of our citizens, including almost 1 in 4 of our children, live in poverty and an increasing number of our citizens, even some in work, rely on foodbanks. This cannot be allowed to continue.
- 3.5 Working together as a city, we have a responsibility to act and a legal duty to end Child Poverty by 2030. More than that we have an opportunity to improve this position. We believe that much lower rates of poverty in Edinburgh can be achieved.



- 3.6 Narrowing these gaps and allowing all residents to share in the city’s success therefore forms a key strand of the City Vision.
- 3.7 Responding to the global climate crisis is a central part of our plan for the future. We want to be a carbon-neutral city by 2030.

4. City of Edinburgh Council’s Vision and Corporate Strategy

Programme for the Capital: Council Business Plan for 2017/22

- 4.1 The [Programme for the Capital: Council Business Plan for 2017/22](#) describes the Council’s commitments to the city, the strategic aims and outcomes, the challenges, how success will be measured and the future of the organisation. The plan sets out overlapping strategic themes common to the work of all service areas. The strategic aims set out below are underpinned by the 52 commitments to the city.
 - Deliver an economy for all;
 - Build for a future Edinburgh;
 - Deliver a sustainable future;
 - Deliver for our children and families; and
 - Deliver a Council that works for all.
- 4.2 To deliver the vision and strategic aims, the Administration has set out 20 associated outcomes, these are shown in the diagram below. These outcomes link to the 52 commitments to the city which will be prioritised over the duration of the plan and into the future.



- 4.3 A new Council Performance Framework 2017-22 has been revised to support the implementation of the Council Business Plan 2017-22.

- 4.4 The framework will be reviewed annually and will include refreshing the measures, actions and milestones to ensure that the data collected is useful in terms of being able to measure performance and delivery.

2050 Edinburgh City Vision

- 4.5 In the autumn of 2016 the City of Edinburgh Council launched a major conversation about the future of a city and a society, inviting Edinburgh to talk about its aspirations, plans, and concerns, for the first time in a generation: [Edinburgh's City Vision for 2050](#).
- 4.6 During the first year of stakeholder and public engagement on the development of a long-term vision for Edinburgh, the Council engaged with thousands of people of all ages and identified four important themes that were obviously relevant to participants. These themes are
- [An Inspired City](#) - Edinburgh is a city that inspires the world and we will continue to treasure, and grow, our unique culture and heritage. The Edinburgh of 2050 will be a city renowned for its creativity and ingenuity, building on its reputation as a premier destination for culture, education and innovation.
 - [A Thriving City](#) - The skills of our people and our global industries have been the driver of our success over the past thirty years. In 2050, Edinburgh will be a place of opportunity and ambition, where innovators and entrepreneurs can achieve prosperity and success.
 - [A Connected City](#) - Connections are at the core of how a city is lived in and how its people interact with each other. In 2050, Edinburgh will be a city built around shared spaces which create opportunities for understanding, for friendship, and for the exchange of ideas.
 - [A Fair City](#) - A great city commits to sharing success and improving the wellbeing and life experience of all its citizens. In 2050, Edinburgh will be a city without barriers to achievement and where a good quality of life is a basic requirement enjoyed by all.

Local Development Plan and Action Programme

- 4.7 As the city works towards these objectives, it is also predicted to grow. Its plans for development are set out in its [Local Development Plan](#). The [Local Development Plan Action Programme](#) sets out the new infrastructure that is required to accommodate this growth.
- 4.8 To deliver the 2050 vision and for the city to grow in a sustainable way, the Council needs to invest in its existing assets as well as creating or acquiring new ones. This Capital Strategy for City of Edinburgh Council provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.

Other Key Plans and Policies

4.9 As well as the strategies, plans and policies outlined above, the capital strategy should be read in conjunction with the following plans and policies for additional background;

- [Capital Budget Strategy 2020-30](#)
- Treasury Management Strategy 2020-21
- [Housing Revenue Account \(HRA\) Budget Strategy \(2020-2030\)](#)
- [Council's Change Strategy: Planning for Change and Delivery Services 2020-2023 – Progress Update](#)
- [Council's Change Strategy 2020/23: Risks and Reserves](#)
- [Corporate Asset Strategy](#)
- [Transport Asset Management Plan \(TAMP\)](#)

5. Capital Expenditure and Financing

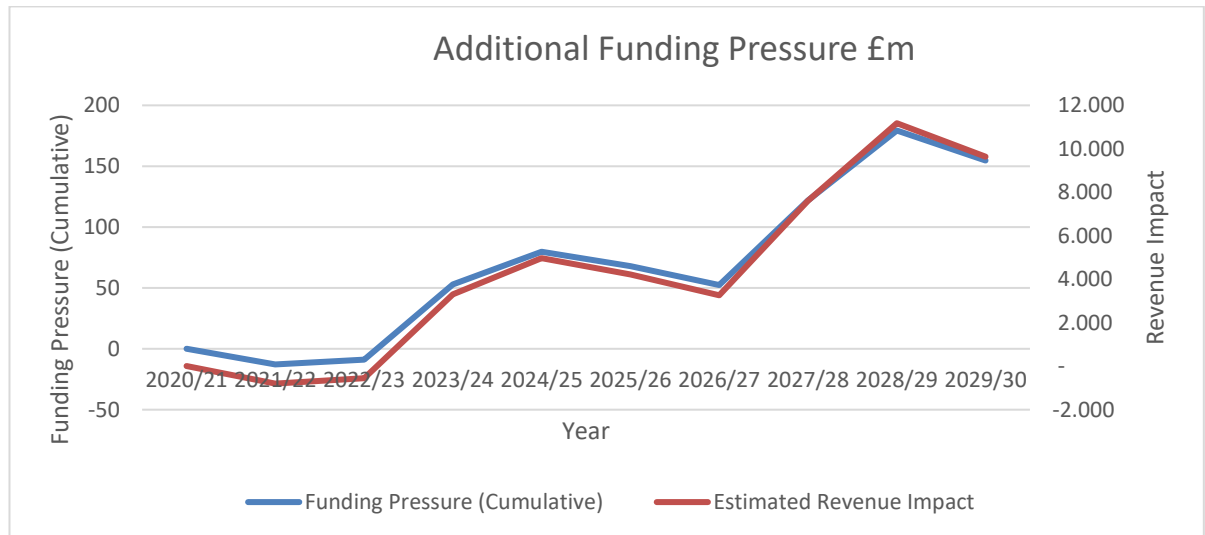
Capital Expenditure

- 5.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.
- 5.2 The Council's policy on capitalisation complies with the accounting requirements for local authorities and is set out in its [Audited Annual Accounts](#).
- 5.3 The capital programme was previously based on the ten-year capital plan originally set out in 2008 ([Capital Investment Programme 2009-19](#)), which was subsequently rolled forward on an indicative basis on broadly similar terms.
- 5.4 The Capital Investment Programme 2009-19 has now been superseded by the [Capital Budget Strategy 2020-30](#), which was reported to Finance and Resources Committee on 14 February 2020 and approved at the Council's budget meeting of 20 February 2020. This Capital Budget Strategy will be subject to annual review and will form part of the annual budget setting.
- 5.5 This Capital Budget Strategy 2020-30 set out additional capital expenditure of £556.748m, offset by additional income of £226.437m, resulting in a requirement of £330.311m in loans fund advances. The loans charges associated with this over a 30-year period would be a principal amount of £330.311m and interest of £288.985m, resulting in a total cost of £619.296m based on an assumed loans fund interest rate of 4.5%. This represents an annual cost of £20.643m.
- 5.6 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 was contingent on the Council approving a balanced

medium-term revenue budget on 20 February 2020. It is also assumed that £41m will come from services for investment in schools. A further £12.564m will be funded through the fleet review and third-party grants and £1.145m from temporary accommodation savings for the house share scheme.

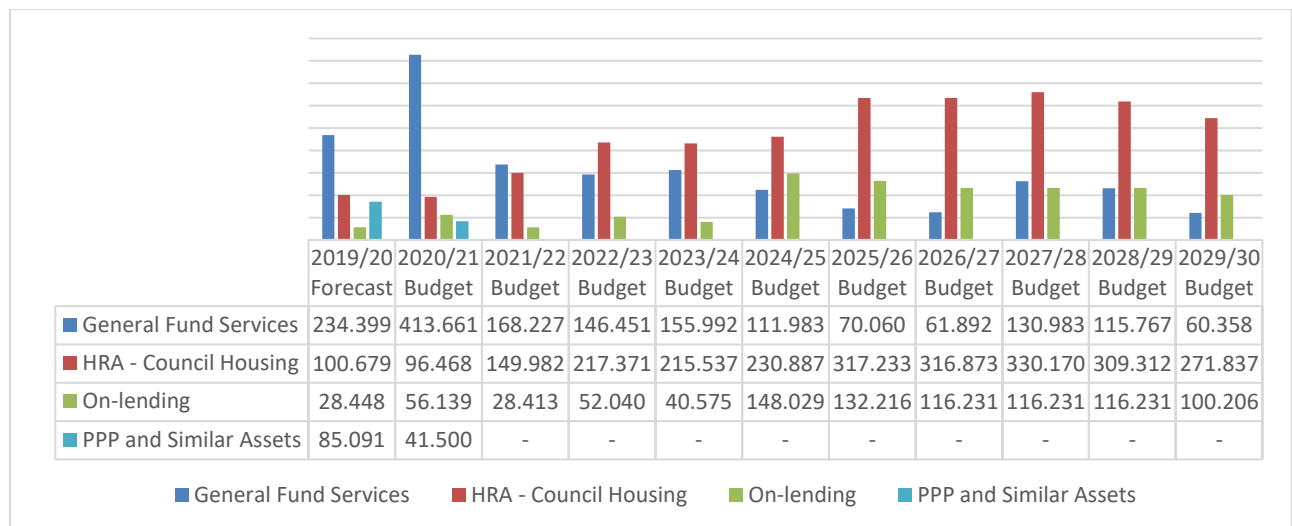
5.7 The remaining £154.602m is currently unfunded and will require the Council to find additional revenue savings in future years, or lead to projects having to be removed from the capital investment programme before they commence. The graph below sets out the funding pressure;

Chart 1: Estimates of Additional Funding Pressure in £ millions



5.8 In the period 2020/30, the Council is planning capital expenditure of £4,838.855m. Whilst the later years are only indicative at present, they are summarised below:

Chart 2: Prudential Indicator: Estimates of Capital Expenditure in £ millions



5.9 Significant General Fund capital projects through the 2020-30 strategy include¹:

- Wave 4 Schools - £280.834m
- Asset Management Works - £203.270m



- Infrastructure for Population Growth - £166.000m
- Trams to Newhaven - £174.734m



- Investment in Carriageways and Footways - £122.631m
- New Schools and Extensions - £96.502m

¹ Values are those included in the Council's Capital Investment Programme and do not recognise any external funding which has not yet been received, including funding from the Edinburgh and South East Scotland City Deal.



- St James Infrastructure Assets and Picardy Place - £62.900m
- Millerhill Waste Facility - £29.520m
- North Bridge Structural Works - £12.602m

5.10 In addition to the existing programme and additional priorities, we are developing a funding strategy to deliver City Centre Transformation and the wider City Mobility Plan. This analysis does not include provision for these and a separate funding strategy is being developed. Should these projects and funding strategy be approved, this strategy will be amended to reflect Council decisions.

Housing Revenue Account

- 5.11 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.
- 5.12 The [Housing Revenue Account \(HRA\) Budget Strategy \(2020-2030\)](#) sets out planned capital investment of £910.245m over the next five years, rising to £2,457.997m over 10 years to deliver tenant priorities, including building new homes, modernising existing homes and help tenants reduce their cost of living. This is summarised in the table below:

Table 1: HRA Five Year Capital Investment Programme and Ten-Year Investment Strategy

Programme Heading	1	2	3	4	5	5 Year	6 to 10	10 Year
	2020/21	2021/22	2022/23	2023/24	2024/25	Total	2025/26 to 2029/30	Total
	£m	£m	£m	£m	£m	£m	£m	£m
New Homes Development*	35.890	97.156	170.677	169.287	183.688	656.698	1,190.595	1,847.293
New Homes Land Costs	12.000	8.200	6.500	-	-	26.700	106.220	132.920
Tenant's Homes	19.030	16.457	10.693	10.836	11.059	68.075	57.880	125.955
External Fabric and Estates	29.548	28.169	29.501	35.414	36.140	158.772	190.730	349.502
Total Expenditure	96.468	149.982	217.371	215.537	230.887	910.245	1,545.425	2,455.670
Prudential Borrowing	23.346	94.916	116.650	136.322	53.807	425.041	789.540	1,214.581
Capital Financed from Current Revenue	3.656	3.013	3.121	3.229	3.238	16.257	14.000	30.257
Capital Receipts	3.150	6.722	11.340	9.805	6.638	37.655	11.500	49.155
Receipts from LLPs*	47.374	28.413	52.040	40.575	148.029	316.431	581.115	897.546
Scottish Government Subsidy (Mid-Market)	5.962	3.938	-	-	-	9.900	-	9.900
Scottish Government Subsidy (Social)	12.980	12.980	34.220	25.606	19.175	104.961	149.270	254.231
Total Funding	96.468	149.982	217.371	215.537	230.887	910.245	1,545.425	2,455.670

*The budget for new build housing includes the upfront capital costs for the Council led development of all 10,000 affordable homes, including homes for mid-market and affordable market that will be purchased by the Council's new LLPs. This has no impact on the HRA as interest payments are deferred until the homes are purchased. £76m of the £898m anticipated receipts from LLPs by year ten is for homes already under construction and due to complete in the next two years. Please note these receipts go beyond current approved levels of on-lending, approval will be sought to expand the programme in future years.

- 5.13 This investment aims to deliver Council commitments on affordable housing and net zero carbon by 2030. Capital investment will be accompanied by improvements in how we deliver housing services to increase customer satisfaction. The Strategy is aimed at reducing tenants cost of living, with below inflation rent increases and service charges frozen for the fifth year in a row.
- 5.14 The HRA Budget Strategy 2020-2030 will also enable wider area improvements; including the regeneration of Granton Waterfront, Pennywell, Craigmillar, Meadowbank, Fountainbridge, Powderhall and Wester Hailes.



Housing Limited Liability Partnerships

- 5.15 The Council also uses general fund resources to increase the provision of affordable housing in the city, through lending to arms' length limited liability partnerships under the National Housing Trust and Edinburgh Living initiatives with £900.555m provided in the 10-year strategy. These projects are self-financing

because of income from affordable rents. However, it should be noted that at present the City of Edinburgh Council only has consent to borrow from the Scottish Government for Edinburgh Living LLPs up to 2023-24 for a total of £248.000m.

Identifying Capital Priorities

- 5.16 For new projects to be added to the Council's capital programme. Asset Investment Groups, within each directorate identify their investment priorities and develop business cases supporting those priorities. These priorities are then scored against a set series of prioritisation criteria agreed by the Council's Asset Management Board.
- 5.17 The Asset Management Board, which is an officer group chaired by the Executive Director of Resources, appraises all business cases and recommends investment priorities to the Corporate Leadership Team of the Council and then to the Finance and Resources Committee, ahead of the full Council budget setting meeting each year. Smaller ad-hoc projects may be added through the year following appropriate approval of project business cases, including those through executive committees or via the full Council itself.

Capital Financing

- 5.18 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing, Public Private Partnerships and similar instruments). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

Capital Financing	2018/19 Actual	2019/20 Forecast	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget
Grants	122.376	140.405	143.342	88.831	130.260	110.681	212.204	214.178	191.495	191.995	192.495	172.722
Asset Sales	26.534	50.496	6.150	9.722	14.340	12.805	9.638	16.989	5.000	5.000	5.000	14.508
Capital Fund	7.482	6.311	14.195	-	12.805	-	-	-	-	-	-	-
Supported Borrowing	48.518	23.000	69.262	30.241	37.921	37.529	28.538	7.100	7.100	7.100	7.100	27.100
On-Lending	-	-	56.139	28.413	52.040	40.575	148.029	132.216	116.231	116.231	116.231	100.206
Other External Income	7.938	4.617	6.297	10.012	3.106	3.273	12.038	18.619	23.964	7.701	4.065	0.756
PPP and similar arrangements	-	85.091	41.500	-	-	-	-	-	-	-	-	-
Loans Fund Advances - Self-Financed	53.855	138.697	270.883	179.403	165.391	207.241	80.452	130.407	151.206	249.357	216.419	117.109
Total	266.703	448.617	607.768	346.622	415.862	412.104	490.899	519.509	494.996	577.384	541.310	432.401

- 5.19 The grants total above doesn't include external funding where the timing of that funding is uncertain. This includes Sustrans funding for Active Travel.
- 5.20 To become carbon neutral by 2030, the city will need to tackle its largest sources of carbon emissions. The transport sector is one such significant source and road transport accounts for 68% of total transport emissions. Investing in active travel infrastructure provides the city's residents, visitors and businesses a means of transport that is low carbon and can efficiently move people and goods around the city. Active travel not only has a lower carbon footprint than private vehicles, it is also better for the city's air quality.
- 5.21 After rent or mortgages, people in Edinburgh spend more per week on transport than anything else. Providing high quality active travel infrastructure can make walking and cycling a realistic and appealing option for many who currently do not

feel safe choosing to travel in this way. With the cost of accessing a bike far lower than for accessing a car, good active travel infrastructure can provide a low cost travel option for people to get around the city.

The image below shows George IV Bridge with Meadows to George Street implemented:



Loans Fund Review and Policy

- 5.22 The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require the statutory loans fund to be administered in accordance with the 2016 Regulations, proper accounting practices and prudent financial management. The Council operates a consolidated loans fund under the terms of these Regulations. Capital payments made by services are financed by capital advances from the loans fund.
- 5.23 Apart from advances in relation to Edinburgh Living LLPs, all advances from the loans fund in the current year have a repayment profile set out using Option 1, the statutory method. All capital advances from the loans fund are repaid using the previous hybrid annuity structure with fixed principal repayments. The Council operates the loans fund to manage historic debt and the balance therefore represents historic borrowing for capital spend.
- 5.24 A [Loans Fund Review](#) was carried out in 2019/20 with the objective to explore options which could re-profile loans fund repayments in order to assist with delivery of a prudent, sustainable and deliverable medium-term revenue budget strategy, whilst ensuring that the provision remains prudent and appropriate to the benefits that are provided to the community from the associated expenditure.
- 5.25 The review was reported to Finance and Resources Committee on 14 February 2020. This report revised the Loans Fund debt charge repayment periods, based on a prudent financial management strategy.
- 5.26 The depreciation policy of the Council had generally set a higher useful life period than the average loan repayment periods, which repaid the advances over a shorter

period than the actual use of the asset. The report recommended using an average life of 30 years for General Fund repayments which is more in line with the depreciation policy.

- 5.27 For the Housing Revenue Account (HRA) it was recommended to use an average life of 30 years for non-component spend. Component spend will remain on an average 20-year life, due to the nature of the expenditure, e.g. replacement of kitchens, bathrooms, heating systems, etc.
- 5.28 The Council had applied the average loans pool rate each year to calculate loan repayments for historic debt based on interest incurred and loans fund advances made. This ranged from 10% in 1996/97 to 4.63% in 2018/19. Taking into account the level of expenditure in each year, the average loans fund borrowing rate over this period is 5.8% and it was recommended that this interest rate was used to calculate loans fund charges for advances made during this period. Going forward, for new advances, the pool rate for the year will be used.
- 5.29 As a result of the Loans Fund Review, the repayments for both historical and new capital advances (with the exception of those detailed below) will be calculated using option 3 – the Asset Life method.
- 5.30 For capital advances relating to loans to the Edinburgh Living LLPs and capital advances for the “Trams to Newhaven” project, all advances from the loans fund in the current year have a repayment profile set out using Option 4 – the funding/income method and these capital advances will be repaid using an annuity structure with fixed interest rate and principal repayments.
- 5.31 The business cases brought forward for other projects involving major capital expenditure funded by borrowing will consider the appropriate repayment method depending on the structure of the business case.

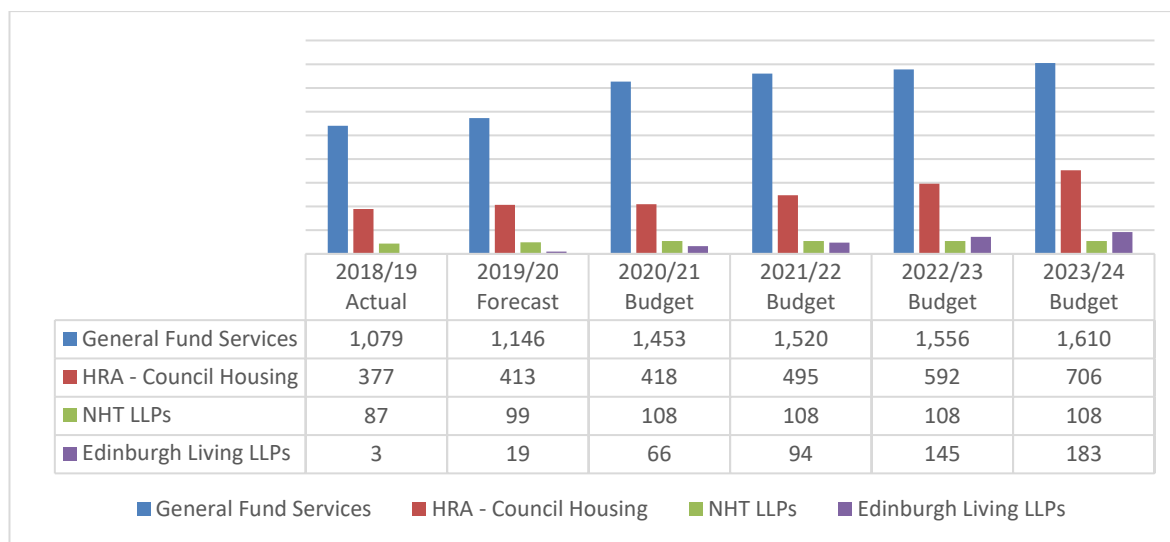
International Financial Reporting Standard (IFRS) 16 - Leases

- 5.32 The Council will need to adhere to IFRS 16 from the start of financial year 2020/21, with information also prepared for a disclosure note in the 2019/20 Annual Accounts.
- 5.33 The objective of IFRS 16 is to report information that represents lease transactions and provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.
- 5.34 IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.
- 5.35 The introduction of IFRS 16 within the Accounts will have a significant impact on the balance sheet from its introduction in 2020/21. This will subsequently have an impact on the Capital Financing Requirement (CFR) as from the 2020/21 financial year. Therefore, it should be expected to see an increase in the CFR in future years.

Capital Financing Requirement

- 5.36 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with loans fund repayments and capital receipts used to replace debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Chart 3: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions



Asset Management

- 5.37 To ensure that capital assets continue to be of long-term use, the Council has asset management strategy in place. This was set out in 2015 with two documents; the [Corporate Asset Strategy](#) approved by Corporate Policy and Strategy Committee in May 2015, and the subsequent [Property and Asset Management Strategy](#) reported to Finance and Resources Committee in September 2015. The Asset Management Strategy sets out the objective to create a credible, focused and sustainable delivery organisation for property and facilities management; provide a fit for purpose, right-sized and safe estate; provide an appropriate level of service at an acceptable and efficient cost; and act in a commercial manner in pursuit of maximising value for the Council.
- 5.38 The [Council's Change Strategy - Planning for Change and Delivery Services 2020/23 – Progress Update](#) outlines our aims for a 21st Century Estate. We have more greenspace than any other UK city and two UNESCO World Heritage Sites. We also have a fantastic network of community buildings which are a highly valued part of the social fabric of Edinburgh. Over the last few years we have reduced the number of buildings we use but still spend £100m a year running the ones we still own.
- 5.39 Resources like offices and depots can be shared across the public sector. We'll be able to identify sites for new housing, release capital for investment, reduce costs and carbon emissions. This will be overseen by a Land and Property Commission and supported by the Scottish Government. Three years ago we had 16 depots and yards spread all over the city. Today we have 10 and by 2023 we want this to

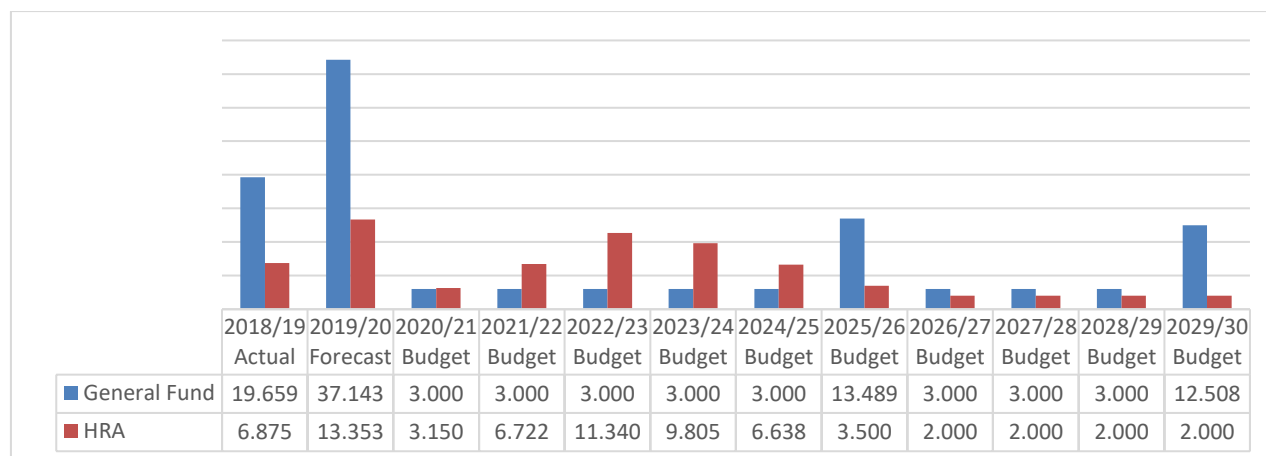
reduce to three consolidated fit-for-purpose facilities. This will release land for housing and development and make our services more efficient and effective.

- 5.40 We are developing a new Estate Strategy examining all aspects of how we run and maintain our buildings and land. We have committed £153m of additional investment in our estate. This will hugely improve the condition, safety and accessibility of our buildings. We are investigating energy generation, insulation and energy saving measures in some of our older buildings which will be done in an ethical, sustainable way contributing to our carbon target and saving money in the long term.
- 5.41 We are developing our Learning Estate with 10 new or replacement primary schools and seven replacement secondary schools over the next 10 years. Queensferry High School will be opening after Easter 2020. As a part of our environmental commitments, as many of our renewals and new builds as possible will conform to Passivhaus standards in line with the 2030 City Plan. The latest update on our [Communities and Families Learning Estate](#) went to Finance and Resources Committee on 10 October 2019.

Asset Disposals

- 5.42 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants also generate capital receipts. The Council expects to receive £99.152m of capital receipts in the HRA and General Fund in the years 2020/21 to 2029/30 as follows:

Chart 4: Capital receipts in £ millions



6. Treasury Management

Treasury Management

- 6.1 Treasury management's role is to keep sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before

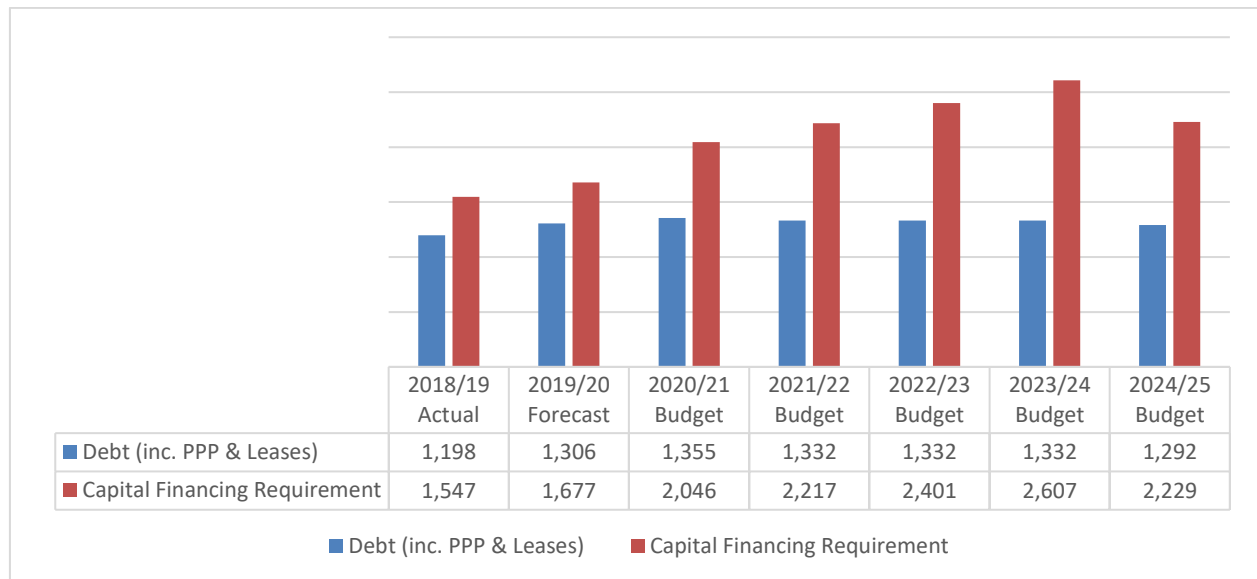
it is spent and holds cash reserves, at least in the short-term. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

- 6.2 Due to past borrowing undertaken, at January 2020 the Council currently had £1,311m borrowing at an average interest rate of 4.66%. This excludes £60m of borrowing which the Council has committed to draw down from PBB in 2020. It also includes over £100m funded internally through cash investments. We also held c. £232m treasury investments at an average rate of 0.82%.

Borrowing Strategy

- 6.3 The Council’s main objective when borrowing is to achieve a low but certain cost of finance while, where possible, managing the Council’s future interest rate risk. The current strategy is to balance reducing investments to fund capital expenditure in the short term while managing the Council’s longer-term interest rate risk by securing borrowing for future capital expenditure as the delivery becomes more certain.
- 6.4 Projected levels of the Council’s total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement as summarised in the chart below:

Chart 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

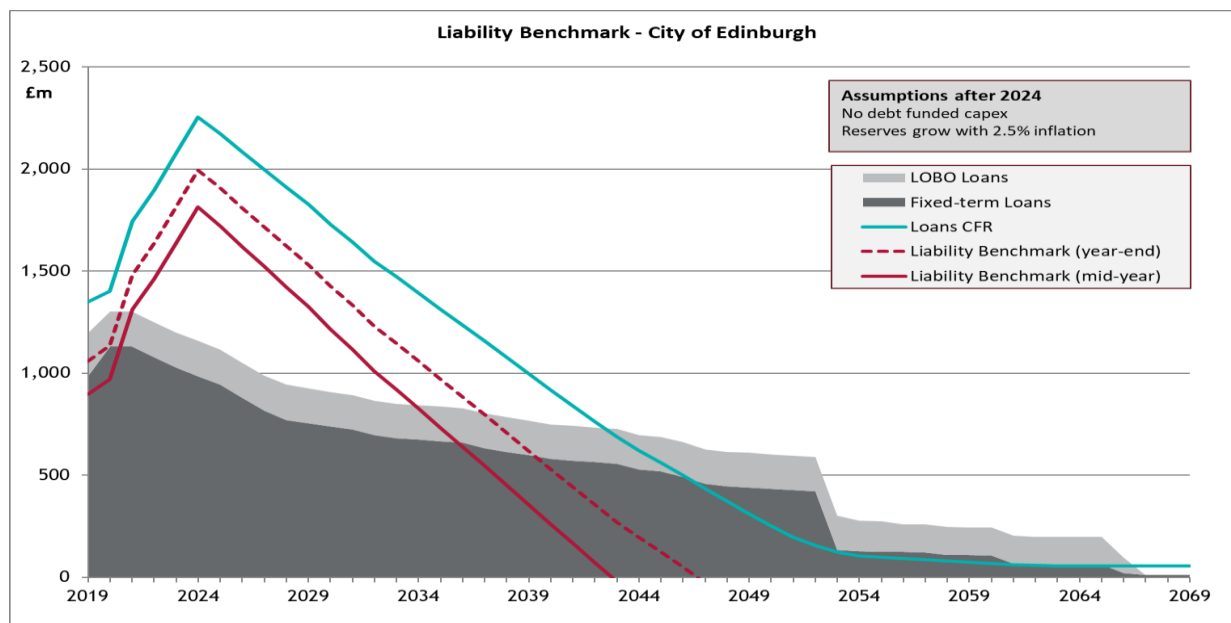


- 6.5 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from Chart 4, the Council expects to comply with this in the medium term.

Liability Benchmarking

- 6.6 To compare the Council’s actual borrowing against its predicted underlying need to borrow, a liability benchmark has been calculated using the Council’s loans and Capital Financing Requirement less its core underlying cash investments.
- 6.7 The chart below shows the projection of the Council’s benchmark produced by the Council’s Treasury Advisors:

Chart 6: Liability Benchmark in £ millions



6.8 The chart shows that the Council is projected to be significantly under its liability benchmark over the period. This shows that the Council will require to undertake additional borrowing in the latter years to fund this.

Affordable Borrowing Limit

6.9 The Council sets an affordable borrowing limit (also termed the authorised limit for external debt) each year. A lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 3: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2018/19 Limit	2019/20 Limit	2020/21 Limit	2021/22 Limit	2022/23 Limit	2023/24 Limit
Authorised Limit – Borrowing	1,595	1,682	1,949	2,112	2,267	2,422
Authorised Limit – PFI and Leases	201	281	317	313	309	305
Authorised Limit – Total External Debt	1,796	1,963	2,266	2,425	2,576	2,727
Operational Boundary – Borrowing	1,231	1,446	1,768	1,929	2,127	2,322
Operational Boundary – PFI and Leases	202	281	317	313	309	305
Operational Boundary – Total External Debt	1,433	1,727	2,085	2,242	2,436	2,627

Investment Strategy

6.10 Treasury investments arise from receiving cash before it is paid out again and through reserves and other fund balances. For nearly 7 years from December 2012, the Council did not draw down any external PWLB or market borrowing, The strategy over this period was to fund the Council’s borrowing requirement by reducing the Council’s temporary investments. The new borrowing undertaken in 2019/20 to de-risk the core funding for the “Trams to Newhaven” project gave the Council additional temporary cash balances. This was used to add duration to the cash fund, significantly increasing its average weighted life. As the cash is spent on

the project and other significant capital expenditure is undertaken in 2020/21, the scope for investing for longer periods will be constrained again.

- 6.11 The Council's cash investments are pooled with the sterling cash of Lothian Pension Fund and other associated organisations and invested together. The investment policy for treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Additional liquidity is provided using Money Market Funds. Investments made for service reasons are not generally considered to be part of normal treasury management activity
- 6.12 Further details on treasury investments are in Appendix 5 of the Annual Treasury Management Strategy report.
- 6.13 Decisions on treasury management investment and borrowing are made daily and are therefore delegated by the Council to the Head of Finance and relevant staff, who must act in line with the Treasury Management Policy Statement approved by the Council on the recommendations of the Finance and Resources Committee. Semi-annual reports on treasury management activity are presented to Council. The Governance, Risk and Best Value Committee is responsible for scrutinising treasury management decisions.

7. Other Investments and Long-term Liabilities

Investments

- 7.1 The Council makes investments to assist local public services, including making loans to and buying share in Council's subsidiaries that assist in the delivery of Council priorities. Examples include investments in the Edinburgh International Conference Centre, the EDI Group, Edinburgh Living LLPs and Energy for Edinburgh. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.
- 7.2 Decisions on service investments are made by the relevant Executive Director or Head of Service, in accordance with the scheme of delegation, in consultation with the Head of Finance and are approved by the relevant executive committee of the Council. Most loans and share purchases are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Commercial Activities

- 7.3 The Council retains a commercial property investment portfolio for city development purposes, but also derives financial gain from this activity. The investment portfolio consists of over 1,130 assets and is forecast to produce a rental income of c. £15m per annum. The portfolio is estimated to have a value of c. £230m.
- 7.4 With economic development being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk

exposures include voids and falls in capital value. In order to minimise the liability to the Council the portfolio is actively managed on a commercial basis.

- 7.5 Decisions on commercial investments are made by the Executive Director of Resources in line with the criteria and limits set by the Council as part of the Scheme of Delegation and Financial Regulations, and directly through the Finance and Resources Committee, where appropriate. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.
- 7.6 The council also has commercial activities in Edinburgh International Conference Centre and the EDI group. The commercial activities in the EDI group are in the process of being wound down in accordance [EDI transition strategy](#) approved by Council on 31 May 2018.

Integration with Wider Financial Strategy

- 7.7 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 Capital Budget Strategy 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.
- 7.8 This strategy should be read in parallel with the [Council's Change Strategy - Planning for Change and Delivery Services 2020/23 – Progress Update](#) as the revenue impact of additional capital expenditure needs to be contained within a balanced medium-term revenue budget.

Risks and Reserves

- 7.9 The Council undertakes an annual review of its risks and reserves in the context of setting the revenue and capital budgets. The most recent update, [Council's Change Strategy 2020/23: Risks and Reserves](#), was reported to the Finance and Resources Committee on 14 February 2020 and set out a number of risks (and associated mitigating actions), including potential cost pressures around demographic-led demand, pay awards and the impacts of other legislative changes, as well as the level of future funding settlements and delivery of approved savings.
- 7.10 The Council has a reserves strategy aligned to the risks it faces. In addition to maintaining unallocated reserves at a level equal to 1% of gross revenue expenditure, a number of specific statutory and other reserves are maintained.
- 7.11 The external auditor's report, [City of Edinburgh Council - 2018/19 Annual Audit Report to the Council and the Controller of Audit](#) noted that overall reserve levels, taking into account both sums earmarked for specific purposes and the unallocated General Fund balance, were assessed to be adequate based upon the risks the Council faces.

Revenue Budget Implications of Capital Strategy

- 7.12 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and loans fund repayments are charged to revenue, offset by any

investment income receivable. The net annual charge as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general grants.

Table 4: Prudential Indicator: Proportion of financing costs to net revenue stream

	2018/19 Actual	2019/20 Forecast	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
Financing costs (£m) – General Fund Services	107,521	108,230	103,708	100,356	99,669	100,424
Proportion of net General Fund revenue stream	11.16%	10.93%	10.48%	10.05%	9.88%	9.96%
Financing costs (£m) – Housing Revenue Account	39,171	38,887	36,683	39,493	43,055	46,248
Proportion of net HRA revenue stream	37.29%	38.30%	35.57%	37.13%	38.91%	39.46%

7.13 In addition to financing costs, the Council makes provision for all running costs and lifecycle maintenance of assets in its revenue budget planning process. Before inclusion in the capital programme, a business case is created for every new project which sets out the revenue implications and how they will be funded.

7.14 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The implications of capital expenditure have been built into the Council's long-term financial planning assumptions to ensure that the proposed capital programme is prudent, affordable and sustainable.

8. Knowledge and Skills

- 8.1 The council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.
- 8.2 The Finance function, within the Council's Resources Directorate, has qualified accountants working throughout the Division. The accountancy function is an accredited employer with regard to Continuing Professional Development (CPD) with the following accountancy bodies: CIPFA, CIMA, and ACCA. This accreditation is assessed externally every 3 years.
- 8.3 The accounting function has been externally assessed as being a Best Practice Employer with regard to training by CIPFA in recognition of the continuing development opportunities provided to staff.
- 8.4 Benchmarking information (2018) shows that the Council has an above average number of qualified staff compared with other local authorities across the UK with over 66% of staff being qualified or part-qualified. Support is provided for those engaged in study for accounting, treasury and insurance qualifications. The CPD assessment undertaken by CIMA examines the provision of training and guidance available to staff on ethical issues including whistleblowing and money laundering legislation.

- 8.5 As well as finance qualifications, the Treasury Team hold a range of Treasury, Investment and Banking qualifications including the CIPFA/ACT Certificate in International Treasury Management – Public Finance and the Investment Management Certificate. The team also has a wide range of knowledge and experience in investment instruments as well as debt and other funding structures.
- 8.6 The Property function, within the Council's Resources Directorate, through which the property investment portfolio is managed, has RICS qualified surveyors working across the Division, the majority of which are also members of the Registered Valuers scheme.
- 8.7 In addition, use is made of external advisers and consultants that are specialists in their field, when specialist technical advice is required. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

9. Conclusion

- 9.1 The Capital Strategy is a reporting requirement introduced by the 2017 edition of the CIPFA Prudential Code, with the first iteration published in March 2019.
- 9.2 The Capital Strategy takes account of the City of Edinburgh Council's Vision and Corporate Strategy whilst considering any new investment within the context of growing in a sustainable way.
- 9.3 To deliver the Council's Vision, Corporate Strategy and for the city to grow in a sustainable way, the Council needs to invest in its existing assets as well as creating or acquiring new ones.
- 9.4 This Capital Strategy for City of Edinburgh Council provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.

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Finance and Resources Committee

10,00am, Thursday, 5 March 2020

Annual Treasury Management Strategy 2020/21

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

1.1 It is recommended that the Committee:

1.1.1 Notes the Annual Treasury Strategy 2020/21 and refers the report to the City of Edinburgh Council for approval of the report and the change to the Council's Treasury Management Policy Statement and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

1.1.2 Notes the key points in the report, that:

- The Council's total capital expenditure is forecast to be £2.104bn between 2019/20 and 2023/24 with an underlying need to borrow at 31 March 2024 forecast to be £2.310bn;
- The Council will continue to fund its Capital Financing Requirement from temporary investment balances over the next year; and
- The Council will continue to seek opportunities to mitigate future interest rate risk with alternatives to the Public Works Loan Board (PWLB) and lock out the risk where appropriate.

Stephen S. Moir

Executive Director of Resources

Contact: Innes Edwards, Principal Treasury and Banking Manager,

Finance Division, Resources Directorate

E-mail: innes.edwards@edinburgh.gov.uk | Tel: 0131 469 6291

Annual Treasury Management Strategy 2020/21

2. Executive Summary

- 2.1 The report proposes a Treasury Management Strategy for the Council for 2020/21, comprising an Annual Investment Strategy and a Debt Management Strategy. There is a statutory requirement for Council to approve this in advance of the new financial year.

3. Background

- 3.1 This report sets out a Treasury Management Strategy for 2020/21 including estimates of funding requirements, an economic forecast and borrowing and investment strategies.
- 3.2 The Council's Treasury Management activities are carried out in accordance with the Council's Treasury Policy Statement. Under the provisions of the Treasury Policy Statement, a report should be submitted on the proposed Treasury Management Strategy for the ensuing year. The Treasury Strategy aims to:
- Ensure that the Council has sufficient and appropriate facilities available to meet its short and long-term borrowing requirements and funding needs;
 - Secure new funding at the lowest cost; and
 - Ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks.
- 3.3 Treasury Management is undertaken with regard to the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code. It also adheres to the statutory requirements in Scotland which require this report, including the Capital Investment Programme and Prudential Indicators to be approved by the full Council. Appendix 7 gives details of the Capital Investment Programme and Prudential Indicators which were approved by Council as part of the budget process.

4. Main report

Capital Expenditure

- 4.1 Table A1.1 in Appendix 1 shows the forecast capital expenditure for both the General Fund (GF) Services and the Housing Revenue Account (HRA) for the current and next 4 years. This shows that GF capital expenditure is anticipated to be £1.324bn, and the HRA £780m, giving a total of £2.104bn over the 5 years. In addition to the capital expenditure shown in the table, there is a further £85.1m in 2019/20 and £41.5m in 2020/21 of additional liabilities brought on to the Council's balance sheet in relation to new PPP type projects – the Millerhill Zero waste facility and Queensferry High School.

Loans Fund Borrowing Requirement

- 4.2 Tables A1.2 and A1.3 show how it is anticipated that the Capital Expenditure in Table A1.1 will be funded. Of the £2.104bn, £874m for the GF and £427m for the HRA will be funded by new capital advances from the Loans Fund.
- 4.3 Table A1.4 in Appendix 1 shows that the Council's underlying need to borrow (shown as 'Cumulative Capital Expenditure') is projected to increase from £1.356bn at the start of the current financial year to £2.310bn at 31 March 2024.

Economic Outlook

- 4.4 Appendix 2 gives an overview of the current economic and market outlook. European and US economies appear weak with both Central Banks reducing interest rates. In the UK inflation is below the Bank of England's target rate of 2% and there are concerns what impact of the Coronavirus will have on the global economy.

Treasury Management Strategy – Debt

- 4.5 In the 2019/20 Forecast, repayment of the £40m RBS Lobo Loans is included in the maturing debt figure of £99m. The £40m replacement PWLB loans as well as the new PWLB borrowing to de-risk the core Trams project funding is included in the Planned PWLB borrowing figure of £207m. The remainder of the Planned Borrowing relates to the capital advances for Edinburgh Living where the Council may choose to undertake external borrowing at the same time as it loans the funds to Edinburgh Living to purchase houses.
- 4.6 The borrowing undertaken this year means that the projected use of temporary investments to fund capital expenditure is projected to fall from £157m to £101m during this financial year. The Debt Management Strategy for 2020/21, as set out in Appendix 3, is to:
- continue to reduce investment balances to temporarily fund capital expenditure;
 - seek alternative sources of funds to the PWLB; and

- continue to lock out the risk on projects when the timing of capital expenditure becomes certain and interest rates are appropriate.

Loan Fund Repayment Policy

- 4.7 The Council operates a consolidated loans fund under the terms of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, and one of the requirements of the Regulations is to report the Council's Loan Fund Repayment Policy. The Policy for 2020/21 is contained in Appendix 4, which also explains the need to change the policy to allow for the consequences of the recent Loans Fund Review. Appendix 6 sets out details of the existing loans including maturity date and interest rate payable.

Treasury Management – Annual Investment Strategy

- 4.8 Appendix 5 details the proposed Annual Investment Strategy for 2020/21. It is intended to continue the current investment strategy which is centred around the security of the investments, taking advantage of longer rates where liquidity allows. Investment will continue to be made via the Cash Fund arrangement.
- 4.9 In order to ensure that the Council adhere to State Aid legislation, the Investment Strategy proposes a change to the Council's Treasury Management Policy Statement to permit the Council to lend to Council Companies and LLPs in the form of mezzanine loans.

Treasury Management Indicators

- 4.10 Appendix 7 shows the Indicators required by the Prudential Code which were approved by Council on 20 February.

Treasury Management Policy Statements

- 4.11 Appendices 8 and 9 set out the Treasury Management Policy Statements for the City of Edinburgh Council and its Treasury Cash Fund.

5. Next Steps

- 5.1 The success of the Treasury team can be measured by the out-performance of the Treasury Cash Fund against its benchmark of 7-day London Interbank Bid Rate (LIBID) and managing the Council's debt portfolio to minimise the cost to the Council while mitigating risk.

6. Financial impact

- 6.1 The Council continues to manage its debt portfolio so as to minimise the medium term cost of funding its capital projects. Provision for the revenue implications arising from this report have already been included in the Council's long term financial plan.

6.2 The Treasury Cash Fund has generated significant additional income for the Council.

7. Stakeholder/Community Impact

7.1 There are no adverse stakeholder/community impacts arising from this report.

8. Background reading/external references

8.1 None

9. Appendices

Appendix 1 – Capital Expenditure and Funding Requirement

Appendix 2 - Economic and Market Outlook

Appendix 3 – Treasury Management – Debt Management Strategy

Appendix 4 – Loans Fund Repayment Policy

Appendix 5 – Treasury Management – Annual Investment Strategy

Appendix 6 – Debt Maturity Profile (January 2019)

Appendix 7 – Prudential Indicators

Appendix 8 – Treasury Management Policy Statement – The City of Edinburgh Council

Appendix 9 – Treasury Management Policy Statement – Treasury Cash Fund

Summary of Capital Expenditure and Funding Requirement

	2018/19 Actual £000	2019/20 Forecast £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Communities and Families	28,431	66,319	114,331	30,207	51,554	106,745
Edinburgh Integration Joint Board	138	117	0	5,000	5,000	0
Place	109,572	99,745	201,611	39,765	36,985	20,035
Place - Lending	23,152	28,448	56,139	28,413	52,040	40,575
Place - Tram York Place to Newhaven	0	24,798	70,721	67,339	27,262	9,412
Contingency	26	0	4,242	0	0	0
Resources - Asset Management Works	21,770	40,300	16,704	25,916	25,650	19,800
Resources - Other	2,652	7,335	6,051	0	0	0
General Slippage in Programme (2.5% 19/20)	0	-4,215	0	0	0	0
Total General Services Capital Expenditure	185,741	262,847	469,799	196,640	198,491	196,567
HRA – Capital Expenditure (inc. Early Action)	80,962	100,679	96,468	149,982	217,371	215,537

Table A1.1 - Capital Expenditure on General Fund Services and HRA

General Fund	2018/19 Actual	2019/20 Forecast	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
Grants	113,306	131,879	77,026	43,500	44,000	44,500
Asset Sales	19,659	37,143	3,000	3,000	3,000	3,000
Capital Fund	7,482	6,311	14,195	0	12,805	0
Capital Funded from Current Revenue	0	0	0	0	0	0
Other External Income	7,938	4,617	6,297	10,012	3,106	3,273
Loans Fund Advances	37,356	82,897	369,281	140,128	135,581	145,794
Total	185,741	262,847	469,799	196,640	198,491	196,567

Table A1.2 - Funding Sources for General Fund Services Capital Expenditure

HRA	2018/19 Actual	2019/20 Forecast	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
Grants	9,070	8,526	66,316	45,331	86,260	66,181
Asset Sales	6,875	13,353	3,150	6,722	11,340	9,805
Capital Fund	0	0	0	0	0	0
Capital Funded from Current Revenue	48,518	23,000	3,656	3,013	3,121	3,229
Other External Income	0	0	0	0	0	0
Loans Fund Advances	16,499	55,800	23,346	94,916	116,650	136,322
Total	80,962	100,679	96,468	149,982	217,371	215,537

Table A1.3 - Funding Sources for HRA Capital Expenditure

Capital Funding v. External Debt	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Outturn	Forecast	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Debt b/fd	1,245,546	1,198,460	1,306,373	1,355,159	1,331,510	1,332,097
Cumulative Capital Expenditure b/fd	1,384,533	1,355,900	1,407,118	1,738,960	1,913,382	2,100,721
Over / underborrowed b/fd	-138,987	-157,440	-100,744	-383,801	-581,872	-768,624
GF Capital Financed by borrowing	14,196	33,243	243,170	44,756	56,659	96,187
Tram Capital Financed by borrowing	0	21,206	69,972	66,959	26,882	9,032
Lending to LLPs	23,152	28,448	56,139	28,413	52,040	40,575
HRA Capital Financed by borrowing	16,500	55,800	23,346	94,916	116,650	136,322
less scheduled repayments by GF	-60,791	-66,229	-42,492	-41,172	-43,108	-44,093
less scheduled repayments by Tram	0	0	0	0	0	-3,404
less scheduled repayments by LLPs*	0	-38	-260	-896	-1,299	-2,038
less scheduled repayments by HRA	-20,115	-20,695	-17,489	-17,998	-19,896	-22,492
less scheduled repayments by Joint Boards	-1,575	-517	-544	-556	-589	-623
Underlying Need to Borrow	-28,633	51,218	331,842	174,422	187,340	209,466
plus total maturing debt	49,960	98,750	58,589	52,062	51,453	40,824
Total Borrowing Requirement	21,327	149,967	390,430	226,484	238,792	250,290
Cumulative Borrowing Requirement		149,967	540,398	766,882	1,005,674	1,255,964
Committed Market Borrowing			60,000			
Planned PWLB or short borrowing for year	2,874	206,663	47,374	28,413	52,040	40,575
Debt at end of the year	1,198,460	1,306,373	1,355,158	1,331,510	1,332,097	1,331,848
Cumulative Capital Expenditure	1,355,900	1,407,118	1,738,960	1,913,382	2,100,721	2,310,187
Cumulative Over/Under Borrowed	-157,440	-100,744	-383,801	-581,872	-768,624	-978,339

* This is based on the known repayments for current advances, with the planned advances on a 40 year annuity basis, using a 3.15% interest rate.

Table A1.4 - Capital Funding v. External Debt

Tables A1.1, A1.2 and A1.4 include the revised cash flow profile for capital expenditure in relation to the Trams to Newhaven project.

Economic and Market Outlook

Overview

Geopolitical worries, particularly in the Middle East, combined with the trade war between the US and China resulted in global growth slowing in 2019. The result of the UK election on 12th December 2019 was a majority for the Conservative Party, allowing Prime Minister Boris Johnson to proceed with Brexit plans. Brexit will continue to be a major influence on the UK Economy while it continues to negotiate its exit. However, the UK economy returned to growth in January 2020. Composite PMI data came in at 52.4 which was above expectations and a 16 month high from a contraction of 49.3 in December.

World Economy

In the US the Federal Reserve Open Market Committee (FOMC) voted to reduce interest rates by 25 basis points to between 1.50% and 1.75% at its October meeting having already reduced the rate in August and September as a pre-emptive strike against slowing global and US economic growth on the back of the ongoing trade war with China. During its December meeting the FOMC made no change to interest rates.

Inflation in the Eurozone for December is expected to be 1.3%, up from 1% in November and in line with market expectations. It would be the highest rate since June 2019 with increases in the cost of unprocessed food and energy prices. Core inflation for December, which excludes the prices of food, alcohol and tobacco and energy, is likely to hold steady at 1.3%. GDP growth in the 3rd quarter of 2019 was 1.2% when compared with the same quarter of the previous year, the same as the previous 3 month period. Christine Lagarde took up her new post as European Central Bank President on the 1st November 2019 and in her first announcement confirmed that the bank would continue to provide monetary support as needed to bring the euro inflation rate back towards target.

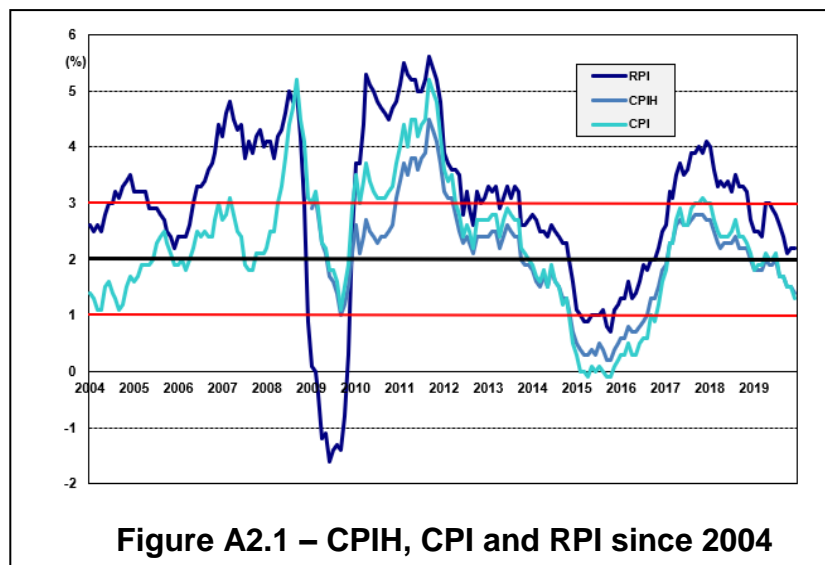
The Coronavirus is having a large impact on markets and economies in Asia Pacific as the number of infections and death toll continue to rise. Markets in mainland China are closed until 3rd February at the earliest. The spread of the virus has also influenced global markets and analysis from the 2004 SARS virus suggested that it cost the world economy a total of about \$40bn with some forecasting the costs from the Coronavirus could be worse.

UK Inflation Outlook

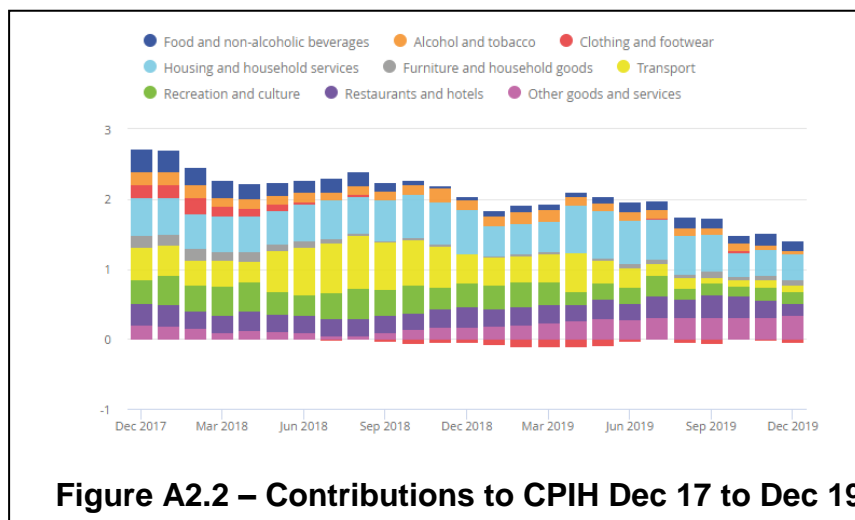
Figure A2.1 below shows CPI (Consumer Price Index) and RPI since March 2004 and CPIH (CPI including owner occupier housing costs), which was reinstated as a national statistic in July 2017, since 2009.

The Government's preferred measure of inflation, CPI was 1.3% in December 2019, down from 1.5% in November and below the Bank of England's target rate. CPIH was 1.4% in December, down from 1.5% in November. The largest downward contributions came from accommodation services and clothing. Upwards movements came from housing, water, electricity, gas and other fuels. Figure A2.2 shows the contributions to CPIH from December 2017 to December 2019, highlighting the movements

The Government's preferred measure of inflation, CPI was 1.3% in December 2019, down from 1.5% in November and below the Bank of England's target rate.



CPIH was 1.4% in December, down from 1.5% in November. The largest downward contributions came from accommodation services and clothing. Upwards movements came from housing, water, electricity, gas and other fuels. Figure A2.2 shows the contributions to CPIH from December 2017 to December 2019, highlighting the movements.



Interest Rate Outlook

Table A2.1 gives a Reuters poll of up to 69 economists, taken 16th January, showing their forecasts for UK Bank Rate until Quarter 2 2021. Most economists polled believed that the UK Bank Rate will remain at 0.75% until the 2nd quarter of 2021. The poll also shows some Economists believe UK Bank Rate will drop to 0.25% during Q2 2020 then 0% in Q3. With the recent media comments regarding MPC members perhaps looking to vote for a rate cut in January it may have been expected that there would be a larger reduction in the mean rate from the previous poll at the start of December. In fact the Q1 2020 mean only dropped from 0.71% to 0.70% and Q2 from 0.69% to 0.66%. This shows the difference in opinion between Economists and market expectation as futures data on 20th January

showed a 72% probability of a reduction in UK Bank Rate to 0.50% at the 30th January Meeting, this has reduced to 60% on the 21st January.

	2020				2021	
	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Median	0.75	0.75	0.75	0.75	0.75	0.75
Mean	0.70	0.66	0.64	0.66	0.67	0.71
Mode	0.75	0.75	0.75	0.75	0.75	0.75
Min	0.50	0.25	0.00	0.00	0.00	0.00
Max	0.75	0.75	1.00	1.00	1.25	1.25
Count	69	70	67	68	51	46

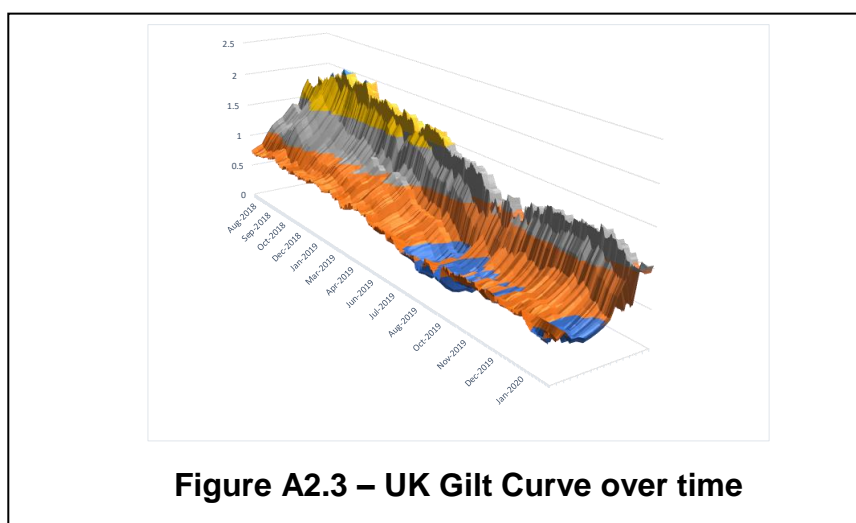
Table A2.1 – Economists’ Forecasts for UK Bank Rate

Source: REUTERS

UK Interest Rates

After a couple of weeks of speculation that the Monetary Policy Committee (MPC) may vote to cut UK Bank Rate, in Governor Mark Carney’s last MPC meeting off the 30th January, committee members voted 7-2 to maintain UK Bank Rate at 0.75%. In early January two members of the MPC gave interviews suggesting that they were more sympathetic to a cut in interest rates. This prompted some surveys to suggest a high probability of a cut in the rate which gradually faded as the meeting approached with the emergence of better than expected economic data. The focus now shifts to the next MPC meeting in March, new Governor Andrew Bailey’s first MPC meeting.

Figure A2.3 below shows the UK gilt curve since January 2018, with 1 year at the front of the chart and 50 years at the back. This shows the long end of the curve falling from the blue peaks of over 2% in 2018 through the yellow band of 1.5% to 2.0% to the grey of 1.0% to 1.5% and recently into the brown of 0.5% to 1.0%. The “lower for even longer” interest rate environment continues.



Treasury Management – Debt Management Strategy

Overview

The overall objectives of the Council's Strategy for Debt Management are to:

- forecast average future interest rates and borrow accordingly;
- secure new funding at the lowest cost in a manner that is sustainable in the medium term;
- ensure that the Council's interest rate risk is managed appropriately;
- ensure smooth debt profile with a spread of maturities; and
- reschedule debt to take advantage of interest rates.

Loans Fund Borrowing Requirement

Table A1.1 in Appendix 1 shows the forecast capital expenditure for both the General Fund (GF) Services and the Housing Revenue Account (HRA) for the current and next 4 years. This shows that GF capital expenditure is anticipated to be £1.324bn, and the HRA £780m, giving a total of £2.104bn over the 5 years. In addition to the capital expenditure shown in the table, there is a further £85.1m in 2019/20 and £41.5m in 2020/21 of additional liabilities brought on to the Council's balance sheet in relation to new PPP type projects.

Tables A1.2 and A1.3 show how it is anticipated that the Capital Expenditure in Table A1.1 will be funded. Of the £2.104bn, £874m for the GF and £427m for the HRA will be funded by new capital advances from the Loans Fund. Table A1.4 in Appendix 1 shows that the Council's underlying need to borrow (shown as Cumulative Capital Expenditure) is projected to increase from £1.356bn at the start of the current financial year to £2.310bn at 31 March 2024.

The Cumulative Borrowing Requirement shows that if the Council were to fully fund its Capital Financing Requirement it would need to borrow £1.256bn over the next 5 years, on top of the £157m in cash balances which have already been used to temporarily fund capital expenditure.

Debt Management Strategy

The Council therefore has a substantial borrowing requirement over the next 5 years. However, some of that borrowing has already been undertaken or committed to.

In the 2019/20 Forecast, repayment of the £40m RBS Lobo Loans is included in the maturing debt figure of £99m. The £40m replacement PWLB loans as well as the new PWLB borrowing to de-risk the core Trams project funding is included in the Planned PWLB borrowing figure of £207m for the current financial year - all of which has already been borrowed. The remainder of the Planned Borrowing relates to the capital advances for Edinburgh Living where the Council may choose to undertake external borrowing at the

same time as it loans the funds to Edinburgh Living to purchase houses. In addition, in 2018 the Council committed to drawing down £60m of loans from PBB in October 2020.

The borrowing undertaken this year means that the projected use of temporary investments to fund capital expenditure is projected to fall from £157m to £101m during this financial year. The strategy for the coming year is to:

- continue to reduce investment balances to temporarily fund capital expenditure;
- seek alternative sources of funds to the PWLB; and
- continue to lock out the risk on projects when the timing of capital expenditure becomes certain and interest rates are appropriate.

Loans Fund Repayment Policy

The Council operates a consolidated loans fund under the terms of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. Capital payments made by services are financed by capital advances from the loans fund. The Regulations require the Council to have a policy for the prudent repayment to the loans fund of the capital advances. The 2016 guidance sets out four options for the calculation of the repayment of loans fund advances, which are:

Option 1 – Statutory Method – this method allows repayments to be made as if the previous Schedule 3 to the 1975 Local Government (Scotland) Act was still in force but will no longer be available as an option after March 2021;

Option 2 – Depreciation Method – a complex method that links the calculated repayment to the depreciation charged each year and movement in the value of the asset;

Option 3 – Asset Life Method – a simpler alternative to the depreciation method, either on an equal instalment basis or on an annuity basis; or

Option 4 – Funding/Income Profile Method – repayments calculated by assessing future income receivable from the use of the asset, if the asset created generates income.

The guidance indicates that these four options are those likely to be most relevant for the majority of local authorities for loans fund advances made for the authority's own capital expenditure. Other approaches are not ruled out but must be considered by the local authority to be a prudent repayment.

With the exception of advances in relation to Edinburgh Living LLPs, until this year all advances from the loans fund to date have had a repayment profile set out using Option 1 – the statutory method. These capital advances are being repaid using the previous hybrid annuity structure with fixed principal repayments. However, as part of the budget process the Council received a report on the review carried out on the loans fund. The report recommended changes in the method of calculating loans fund repayments for current and historical capital advances. Those changes mean that the repayments for both historical and new capital advances (with the exception of those detailed below) will be calculated using option 3 – the Asset Life method.

For capital advances relating to loans to the Edinburgh Living LLPs and capital advances for the "Trams to Newhaven" project, all advances from the loans fund in the current year have a repayment profile set out using Option 4 – the funding/income method and these capital advances will be repaid using an annuity structure with fixed interest rate and principal repayments.

The business cases brought forward for other projects involving major capital expenditure funded by borrowing will consider the appropriate repayment method depending on the structure of the business case.

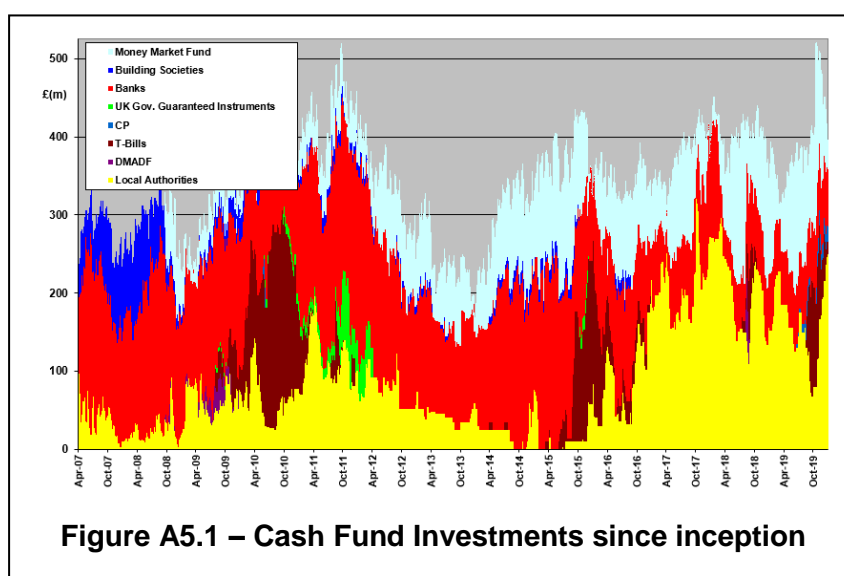
The Council operates the loans fund to manage historic debt and the balance therefore represents historic borrowing for capital spend.

Treasury Management – Annual Investment Strategy

In line with CIPFA's Code of Practice, the overall objectives of the Council's Strategy for Investment Management are to:

- ensure the security of funds invested;
- ensure that the Council has sufficient liquid funds to cover its expenditure commitments; and
- pursue optimum investment return within the above two objectives.

The Council's cash balances are pooled and invested via the Treasury Cash Fund subject to the limits set out in the Cash Fund Treasury Management Policy Statement. The Cash Fund's Investment Strategy continues to be based around the security of the investments. Figure A5.1 below shows the distribution of Cash Fund deposits since inception.



As can be seen in Figure A5.1 above the bulk of the investments within the Cash Fund are currently represented by loans to other Local Authorities.

Figure A5.2 below shows the level of Council investments via the cash fund. The value of investments increased significantly when the additional borrowing for the Trams project was taken. Given that most of the monies would not be needed for a period of time, the opportunity was taken to increase the duration of the cash fund investments. The average weighted life of the fund increased to 78 days towards the end of the calendar year, which is the longest in the fund since late 2012.

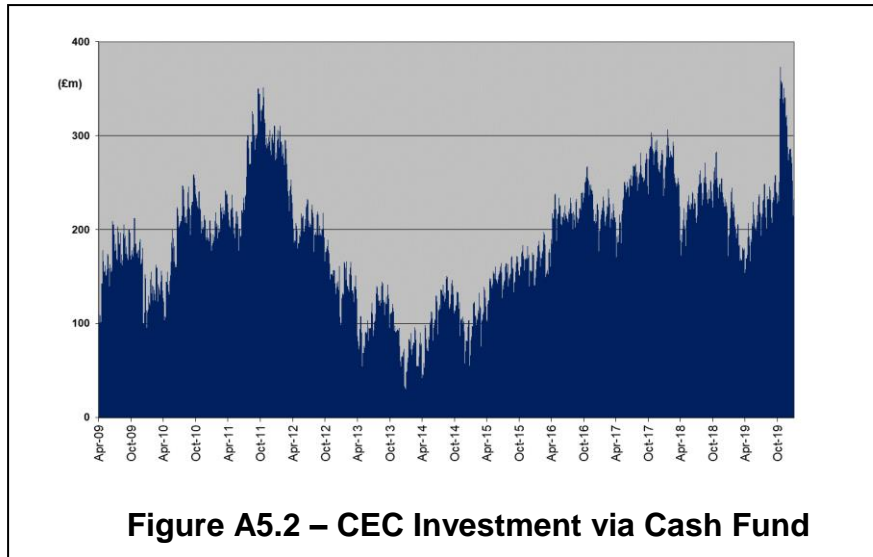


Figure A5.2 – CEC Investment via Cash Fund

Our central forecast has been that the next move in UK Bank Rate would be up rather than down. However, the dangers around the spread of the Coronavirus means that there is still a chance of an “insurance” cut to UK Bank Rate.

It is intended to continue the current investment strategy centred around the security of the investments, taking advantage of longer rates where liquidity allows.

Investment will continue to be made via the Treasury Cash Fund arrangement. Appendix 8 contains the Treasury Management Policy Statement for the Treasury Cash Fund which details the investment and counterparty limits for the Fund.

The City of Edinburgh Council - Treasury Management Policy Statement

Appendix 9 contains the Treasury Management Policy Statement for the City of Edinburgh Council. This is for activities such as borrowing which are Council specific as well as for investments for which the Cash Fund arrangement would be inappropriate – such as equity investment in Council Companies. It is proposed to make a small change to the Policy Statement for 2020/21.

The Policy currently allows for loans to be advanced to Council Companies. For the Edinburgh Living initiative to deliver affordable housing, the Council has created two Limited Liability Partnerships – a Mid-Market Rent LLP (MMR LLP) and a Market Rent LLP (MR LLP). To date all loans to the MMR LLP to purchase housing from the HRA have been senior secured loans i.e. the loan has been secured against the LLP’s houses. However, subject to passing the final viability tests, it is likely that loans will be advanced to the Market Rent LLP early in 2020/21 for that LLP to also purchase houses from the HRA. The Council has engaged its Treasury Advisors to review the arrangement to ensure it does not breach State Aid rules. The Advisors’ recommendation was that the structure of the loans to the MR LLP is slightly different to that of the MMR LLP. It is proposed that 90% of the funding is advanced by way of Senior Secured Loans (the type of loans advanced to the MMR LLP) but that 10% is advanced in the form of Mezzanine Finance and Resources Committee – 5 March 2020

Debt. The Mezzanine Debt would not be secured against the LLP's houses, but would lie in the capital structure below the Senior Debt and would be on a par with Equity. The interest rate on the mezzanine loans would be higher to reflect their lower ranking, but the average blended interest rate for the combined Senior and Mezzanine loans would be lower than the rate used in the initial business case. This does increase the risk to the Council in making the loans, particularly if at any later stage any external funders were brought in at a more senior level. However, it is not viewed that the risk is substantial and the lower blended interest rate to the MR LLP would assist in ensuring the LLP's long term financial sustainability. In addition, the Council holds 99% of the ownership of the LLP and Council Officers are also part of the governance structure of the LLPs.

In all other respects there would be no difference to the arrangements which are already in place and working with the MMR LLP. The proposed structure does not change the total value of the loans to the LLP, the associated capital advances made by the Council from the Loans Fund or any external borrowing which the Council may choose to undertake to manage the interest rate risk in the loans to the LLPs.

It is proposed to amend item (g) in the City of Edinburgh Council's Permitted Investments to specifically allow mezzanine loans to Council Companies and LLPs. The associated risks and mitigating controls have likewise been amended to reflect the different risk associated with this structure.

Appendix 6

Debt Maturity Profile (January 2020)

Market Debt (non LOBO)

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
30/06/2005	M	30/06/2065	5,000,000.00	4.4	220,000.00
07/07/2005	M	07/07/2065	5,000,000.00	4.4	220,000.00
21/12/2005	M	21/12/2065	5,000,000.00	4.99	249,500.00
28/12/2005	M	24/12/2065	12,500,000.00	4.99	623,750.00
14/03/2006	M	15/03/2066	15,000,000.00	5	750,000.00
18/08/2006	M	18/08/2066	10,000,000.00	5.25	525,000.00
01/02/2008	M	01/02/2078	10,000,000.00	3.95	395,000.00
			62,500,000.00		

Market Debt (LOBO)

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
12/11/1998	M	13/11/2028	3,000,000.00	4.75	142,500.00
15/12/2003	M	15/12/2053	10,000,000.00	5.25	525,000.00
18/02/2004	M	18/02/2054	10,000,000.00	4.54	454,000.00
28/04/2005	M	28/04/2055	12,900,000.00	4.75	612,750.00
01/07/2005	M	01/07/2065	10,000,000.00	3.86	386,000.00
24/08/2005	M	24/08/2065	5,000,000.00	4.4	220,000.00
07/09/2005	M	07/09/2065	10,000,000.00	4.99	499,000.00
13/09/2005	M	14/09/2065	5,000,000.00	3.95	197,500.00
03/10/2005	M	05/10/2065	5,000,000.00	4.375	218,750.00
23/12/2005	M	23/12/2065	10,000,000.00	4.75	475,000.00
06/03/2006	M	04/03/2066	5,000,000.00	4.625	231,250.00
17/03/2006	M	17/03/2066	10,000,000.00	5.25	525,000.00
03/04/2006	M	01/04/2066	10,000,000.00	4.875	487,500.00
03/04/2006	M	01/04/2066	10,000,000.00	4.875	487,500.00
03/04/2006	M	01/04/2066	10,000,000.00	4.875	487,500.00
07/04/2006	M	07/04/2066	10,000,000.00	4.75	475,000.00
05/06/2006	M	07/06/2066	20,000,000.00	5.25	1,050,000.00
05/06/2006	M	07/06/2066	16,500,000.00	5.25	866,250.00
			172,400,000.00		

PWLB

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
15/02/1995	M	25/03/2020	5,000,000.00	8.625	431,250.00
21/04/2009	M	21/04/2020	10,000,000.00	3.54	354,000.00
12/05/2009	M	12/05/2020	10,000,000.00	3.96	396,000.00
21/10/1994	M	15/05/2020	5,000,000.00	8.625	431,250.00
07/12/1994	M	15/05/2020	5,000,000.00	8.625	431,250.00
21/11/2011	M	21/05/2020	15,000,000.00	2.94	441,000.00
16/08/1995	M	03/08/2020	2,997,451.21	8.375	251,036.54
09/12/1994	M	15/11/2020	5,000,000.00	8.625	431,250.00
10/05/2010	A	10/05/2021	785,066.07	3.09	35,960.95
21/10/1994	M	15/05/2021	10,000,000.00	8.625	862,500.00
10/03/1995	M	15/05/2021	11,900,000.00	8.75	1,041,250.00
12/06/1995	M	15/05/2021	10,000,000.00	8	800,000.00
02/06/2010	M	02/06/2021	5,000,000.00	3.89	194,500.00
16/08/1994	M	03/08/2021	2,997,451.21	8.5	254,783.35
28/04/1994	M	25/09/2021	5,000,000.00	8.125	406,250.00
23/04/2009	M	23/04/2022	5,000,000.00	3.76	188,000.00
12/06/1995	M	15/05/2022	10,200,000.00	8	816,000.00
14/06/2010	M	14/06/2022	10,000,000.00	3.95	395,000.00
31/03/1995	M	25/09/2022	6,206,000.00	8.625	535,267.50
16/02/1995	M	03/02/2023	2,997,451.21	8.625	258,530.17
24/04/1995	M	25/03/2023	10,000,000.00	8.5	850,000.00
05/12/1995	M	15/05/2023	5,200,000.00	8	416,000.00
20/09/1993	M	14/09/2023	2,997,451.21	7.875	236,049.28
20/09/1993	M	14/09/2023	584,502.98	7.875	46,029.61
08/05/1996	M	25/09/2023	10,000,000.00	8.375	837,500.00
13/10/2009	M	13/10/2023	5,000,000.00	3.87	193,500.00
05/12/1995	M	15/11/2023	10,000,000.00	8	800,000.00
10/05/2010	M	10/05/2024	10,000,000.00	4.32	432,000.00
28/09/1995	M	28/09/2024	2,895,506.10	8.25	238,879.25
14/05/2012	M	14/11/2024	10,000,000.00	3.36	336,000.00
14/12/2009	A	14/12/2024	3,952,650.35	3.66	164,163.02
17/10/1996	M	25/03/2025	10,000,000.00	7.875	787,500.00
10/05/2010	M	10/05/2025	5,000,000.00	4.37	218,500.00
16/11/2012	M	16/05/2025	20,000,000.00	2.88	576,000.00
13/02/1997	M	18/05/2025	10,000,000.00	7.375	737,500.00
20/02/1997	M	15/11/2025	20,000,000.00	7.375	1,475,000.00
01/12/2009	A	01/12/2025	6,657,167.44	3.64	269,047.82
21/12/1995	M	21/12/2025	2,397,960.97	7.875	188,839.43
21/05/1997	M	15/05/2026	10,000,000.00	7.125	712,500.00
28/05/1997	M	15/05/2026	10,000,000.00	7.25	725,000.00
29/08/1997	M	15/11/2026	5,000,000.00	7	350,000.00
24/06/1997	M	15/11/2026	5,328,077.00	7.125	379,625.49

07/08/1997	M	15/11/2026	15,000,000.00	6.875	1,031,250.00
13/10/1997	M	25/03/2027	10,000,000.00	6.375	637,500.00
22/10/1997	M	25/03/2027	5,000,000.00	6.5	325,000.00
13/11/1997	M	15/05/2027	3,649,966.00	6.5	237,247.79
17/11/1997	M	15/05/2027	5,000,000.00	6.5	325,000.00
13/12/2012	M	13/06/2027	20,000,000.00	3.18	636,000.00
12/03/1998	M	15/11/2027	8,677,693.00	5.875	509,814.46
06/09/2010	M	06/09/2028	10,000,000.00	3.85	385,000.00
14/07/2011	M	14/07/2029	10,000,000.00	4.9	490,000.00
14/07/1950	E	03/03/2030	2,654.08	3	85.31
14/07/2011	M	14/07/2030	10,000,000.00	4.93	493,000.00
15/06/1951	E	15/05/2031	2,695.07	3	86.12
06/09/2010	M	06/09/2031	20,000,000.00	3.95	790,000.00
15/12/2011	M	15/06/2032	10,000,000.00	3.98	398,000.00
15/09/2011	M	15/09/2036	10,000,000.00	4.47	447,000.00
22/09/2011	M	22/09/2036	10,000,000.00	4.49	449,000.00
10/12/2007	M	10/12/2037	10,000,000.00	4.49	449,000.00
08/09/2011	M	08/09/2038	10,000,000.00	4.67	467,000.00
15/09/2011	M	15/09/2039	10,000,000.00	4.52	452,000.00
06/10/2011	M	06/10/2043	20,000,000.00	4.35	870,000.00
09/08/2011	M	09/02/2046	20,000,000.00	4.8	960,000.00
23/01/2006	M	23/07/2046	10,000,000.00	3.7	370,000.00
23/01/2006	M	23/07/2046	10,000,000.00	3.7	370,000.00
19/05/2006	M	19/11/2046	10,000,000.00	4.25	425,000.00
07/01/2008	M	07/01/2048	5,000,000.00	4.4	220,000.00
27/01/2006	M	27/07/2051	1,250,000.00	3.7	46,250.00
16/01/2007	M	16/07/2052	40,000,000.00	4.25	1,700,000.00
30/01/2007	M	30/07/2052	10,000,000.00	4.35	435,000.00
13/02/2007	M	13/08/2052	20,000,000.00	4.35	870,000.00
20/02/2007	M	20/08/2052	70,000,000.00	4.35	3,045,000.00
22/02/2007	M	22/08/2052	50,000,000.00	4.35	2,175,000.00
08/03/2007	M	08/09/2052	5,000,000.00	4.25	212,500.00
30/05/2007	M	30/11/2052	10,000,000.00	4.6	460,000.00
11/06/2007	M	11/12/2052	15,000,000.00	4.7	705,000.00
12/06/2007	M	12/12/2052	25,000,000.00	4.75	1,187,500.00
05/07/2007	M	05/01/2053	12,000,000.00	4.8	576,000.00
25/07/2007	M	25/01/2053	5,000,000.00	4.65	232,500.00
10/08/2007	M	10/02/2053	5,000,000.00	4.55	227,500.00
24/08/2007	M	24/02/2053	7,500,000.00	4.5	337,500.00
13/09/2007	M	13/03/2053	5,000,000.00	4.5	225,000.00
14/10/2019	A	10/04/2053	110,000,000.00	2.69	2,945,254.44
12/10/2007	M	12/04/2053	5,000,000.00	4.6	230,000.00
05/11/2007	M	05/05/2057	5,000,000.00	4.6	230,000.00
15/08/2008	M	15/02/2058	5,000,000.00	4.39	219,500.00
25/01/2019	A	25/01/2059	2,715,081.66	2.65	71,694.26
11/06/2019	A	11/06/2059	1,274,286.84	2.23	28,305.66
01/10/2019	A	01/10/2059	1,343,557.00	1.74	23,276.17

02/10/2019	A	02/10/2059	40,000,000.00	1.8	716,907.89
05/11/2019	A	05/11/2059	7,143,292.00	2.96	210,742.68
28/11/2019	A	28/11/2059	1,306,356.00	3.03	39,453.89
02/12/2019	A	02/12/2059	2,812,380.00	3.03	84,938.05
16/01/2020	A	20/01/2060	458,317.00	2.97	13,567.14
16/01/2020	A	20/01/2060	2,000,000.00	1.77	35,246.97
04/10/2019	M	04/04/2060	40,000,000.00	1.69	676,000.00
02/12/2011	M	02/12/2061	5,000,000.00	3.98	199,000.00
			1,075,233,014.40		

SALIX

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
07/01/2015	E	01/09/2021	157,914.28	0	0.00
31/03/2015	E	01/04/2023	631,014.09	0	0.00
22/09/2015	E	01/10/2023	175,839.76	0	0.00
29/03/2019	E	01/04/2029	132,979.67	0	0.00
			1,097,747.80		

PRUDENTIAL INDICATORS

Indicator 1 - Estimate of Capital Expenditure

The actual capital expenditure that was incurred in 2018/19 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	Capital Expenditure - General Services					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Rolled Forward Capital Investment Programme						
Communities and Families	28,431	66,319	114,331	30,207	51,554	106,745
Edinburgh Integration Joint Board	138	117	0	5,000	5,000	0
Place	109,572	99,745	201,611	39,765	36,985	20,035
Place - Lending	23,152	28,448	56,139	28,413	52,040	40,575
Place - Tram York Place to Newhaven	0	25,211	70,101	58,004	29,731	0
Contingency	26	0	4,242	0	0	0
Resources - Asset Management Works	21,770	40,300	16,704	25,916	25,650	19,800
Resources - Other	2,652	7,335	6,051	0	0	0
General Slippage in Programme (2.5% 19/20)	0	-4,215	0	0	0	0
Total General Services Capital Expenditure (per 14 February F&R Report)	185,741	263,260	469,179	187,305	200,960	187,155
Place - Tram York Place to Newhaven Updated Cashflow	0	-413	621	9,335	-2,469	9,412
Total General Services Capital Expenditure	185,741	262,847	469,800	196,640	198,491	196,567

Note that the 2020-2024 Capital Investment Programme includes slippage / acceleration brought forward based on projected capital expenditure reported at the month eight stage. Place - Tram York Place to Newhaven cashflow shows movement of budget to reflect the latest forecast. Project remains within the time and budget parameters agreed by Council.

	Capital Expenditure - Housing Revenue Account (HRA)					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Rolled Forward Capital Investment Programme						
Housing Revenue Account	80,962	100,679	96,468	149,982	217,371	215,537

Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2018/19 are:

	Ratio of Financing Costs to Net Revenue Stream					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
General Services	11.16	10.93	10.48	10.05	9.88	9.96
Housing Revenue Account (HRA)	37.29	38.30	35.57	37.13	38.91	39.46

Note: Figures for 2021/22 onwards are indicative at this stage as the Council has not set a General Services or HRA budget for these years. The figures for General Services are based on the current long term financial plan. HRA figures are based on the business plan which was reported to Finance and Resources Committee on 14 February 2020.

The estimates of financing costs include current commitments and the proposals in this budget.

Indicator 3 - Capital Financing Requirement

Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2019 are:

	Capital Financing Requirement					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
General Services	1,079	1,146	1,453	1,520	1,556	1,610
Housing Revenue Account (HRA)	377	413	418	495	592	706
NHT LLPs	87	99	108	108	108	108
Edinburgh Living LLPs	3	19	66	94	145	183
Total Capital Financing Requirement	1,546	1,677	2,045	2,217	2,401	2,607

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all of the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for a capital purpose.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence.

In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	Gross Debt and the Capital Financing Requirement					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Gross Debt	1,198	1,306	1,355	1,332	1,332	1,332
Capital Financing Requirements	1,546	1,677	2,045	2,217	2,401	2,607
(Over) / under limit by:	348	371	690	885	1,069	1,275

The authority does not currently envisage borrowing in excess of its capital financing requirement over the next few years. This takes into account current commitments, existing plans and assumptions around cash balances and the proposals in this budget. The figures do not include any expenditure and associated funding requirements, other than projects specifically approved by Council, for the Local Development Plan (LDP) or City Deal.

The introduction of IFRS 16 - Leases within the Accounts will have a significant impact on the balance sheet from its introduction in 2020/21. This will subsequently have an impact on the Capital Financing Requirement (CFR) as from the 2020/21 financial year. Therefore, it should be expected to see an increase in the CFR in future years. This will similarly have an impact on the authorised limit and operational boundary for external debt.

Indicator 4 - Authorised Limit for External Debt

The authorised limit should reflect a level of borrowing which, while not desired, could be afforded, but may not be sustainable. "Credit Arrangements" as defined by Financial Regulations, has been used to calculate the authorised and operational limits requiring both the short and long term liabilities relating to finance leases and PFI assets to be considered. In respect of its external debt, it is recommended that Council approves the following

authorised limits for its total external debt gross of investments for the next four financial years. These limits separately identify borrowing under credit arrangements including finance leases and PFI assets. Council is asked to approve these limits and to delegate authority to the Head of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and credit arrangements, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its meeting following the change.

	Authorised Limit for External Debt				
	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Borrowing	1,682	1,949	2,112	2,268	2,422
Credit Arrangements (including leases)	281	317	313	309	305
Authorised Limit for External Debt	1,963	2,266	2,425	2,577	2,727

These authorised limits are consistent with the authority's current commitment, existing plans and the proposals in this budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

Indicator 5 - Operational Boundary for External Debt

The Council is also asked to approve the following operational boundary for external debt for the same period. The proposed operational boundary equates to the estimated maximum of external debt. It is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and credit arrangements are separately identified. The Council is also asked to delegate authority to the Head of Finance, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and credit arrangements, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	Operational Boundary for External Debt				
	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Borrowing	1,446	1,768	1,929	2,127	2,322
Credit Arrangements (including leases)	281	317	313	309	305
Operational Boundary for External Debt	1,727	2,085	2,242	2,436	2,627

The Council's actual external debt at 31 March 2019 was £1,420m comprising borrowing (including sums repayable within 12 months).

In taking its decisions on this budget, the Council is asked to note that the estimate of capital expenditure determined for 2020/21 (see paragraph 1 above) will be the statutory limit determined under section 35(1) of the Local Government (Scotland) Act 2003.

Indicator 6 - Loans Charges Associated with net Capital Investment expenditure plans

Under the changes to the Prudential Code which came into force in December 2017, the requirement to measure and report on the incremental impact on the Council Tax / rents was removed from the Code. The authority can set its own local indicators to measure the affordability of its capital investment plans. The Head of Finance considers that Council should be advised of the loans charges cost implications which will result from the spending plans being considered for approval. These cost implications have been included in the Council's Revenue and HRA budgets for 2019/20 and in the longer term financial frameworks.

	Loans Charges Liability				
	2019/20	2020/21	2021/22	2022/23	2023/24
	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Loans Fund Pooled Interest Rate at Indicative 4.5%					
General Fund (excluding On-Lending and Trams tom Newhaven) - New Loans Fund Advances					
Loans Fund Advances in year	33,243	243,170	44,756	56,659	96,187
Year 1 - Interest Only	757	5,539	1,019	1,291	2,191
Year 2 - Interest and Principal Repayment	2,052	15,013	2,763	3,498	5,938
Housing Revenue Account (HRA) - New Loans Fund Advances					
Loans Fund Advances in year (excluding borrowing for LLP programme *)	55,800	23,346	94,916	116,650	136,322
Year 1 - Interest Only	1,271	532	2,161	2,657	3,105
Year 2 - Interest and Principal Repayment	3,445	1,441	5,860	7,202	8,416

* The loans charges associated with the borrowing required for the house building programme for onward transferred to the LLPs will be met from the LLPs and does therefore not have a net impact on the HRA revenue budget. Tram repayments are based on the income model and will commence in 2023/24 when the line to Newhaven becomes operational.

Consideration of options for the capital programme

In considering its programme for capital investment, Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax or house rents;
- prudence and sustainability, e.g. implications for external borrowing;
- value for money, e.g. option appraisal;
- stewardship of assets, e.g. asset management planning;
- service objectives, e.g. strategic planning for the authority;
- practicality, e.g. achievability of the forward plan.

The City of Edinburgh Council

Treasury Cash Fund

Treasury Management Policy Statement

Summary

The Council operates the Treasury Cash Fund on a low risk low return basis for cash investments on behalf of itself, Lothian Pension Fund and other associated organisations. This Policy Statement covers the type of investments which are permitted for monies held with the Cash Fund and should be read in conjunction with the Treasury Policy Statement for the City of Edinburgh Council.

Approved Activities

The activity undertaken in the management of cash balances and their investment in cash and near cash instruments. In undertaking this activity, the key objective is the security of the monies invested. Accordingly, the investment types and counterparty limits below represent a prudent attitude towards the instruments with which and the institutions with whom investment will be undertaken.

Treasury Management Strategy

The treasury management strategy for the cash fund is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks

Permitted Instruments

The Chief Financial Officer may invest monies in accordance with the Council's requirements only by using the following instruments:

- (a) Temporary deposit, Certificate of Deposit, collateralised deposit, structured deposit, commercial paper, floating rate note or Bonds with an approved institution of the Bank of England or with any other approved organisation for investment (see below)
- (b) UK Treasury Bills
- (c) Gilt-edged securities
- (d) Reverse Repurchase Agreements
- (e) Money Market Funds and Bond Funds
- (f) Debt Management Office's Debt Management Agency Deposit Facility

Limits on Investment

The approved limits on counterparties and investment types are as follows (where money limits and percentages are stated, the greater of the two should be applied):

- (a) DMO's DMADF, UK Treasury Bills and UK Gilts with no limit
- (b) UK local authorities up to a maximum of £50 million per authority.
- (c) other public bodies up to a maximum of £20 million per organisation.
- (d) The Council's bankers, where not otherwise permitted under (k) below, up to a limit of £20m on an overnight only basis other than when funds are received into the Council's bank account without pre-notification.
- (e) Money Market Funds with no limit in total but with no more than £30 million or 15% of the funds under management with any one Fund.
- (f) Bond Funds with no more than £20 million or 10% of the funds under management.
- (g) Supranational Bonds with a limit of £60 million or 20% of the fund in total.
- (h) financial institutions where the relevant deposits, CDs or Bonds are guaranteed by a sovereign government of AA or above up to a maximum of £60 million or 20 percent of the fund per

institution for the duration of the guarantee in addition to the appropriate counterparty limit for the institution.

- (i) Local Authority Collateralised deposits up to a maximum of £30 million or 15 percent of the fund per institution up to a maximum of 5 years in addition to the appropriate counterparty limit for the institution.
- (j) Structured deposits up to a maximum of £20 million or 10 percent of the fund, subject to the appropriate counterparty limits for the institution also being applied.
- (k) financial institutions included on the Bank of England's authorised list under the following criteria:

Credit Rating	Banks Insecured	Banks Secured	B. Socs. Insecured	B. Socs. Secured
AAA	20% or £60m	20% or £60m	20% or £60m	20% or £60m
AA+	15% or £30m	20% or £60m	15% or £30m	20% or £60m
AA	15% or £30m	20% or £60m	15% or £30m	15% or £30m
AA-	15% or £30m	20% or £60m	10% or £20m	15% or £30m
A+	10% or £20m	15% or £30m	10% or £20m	10% or £20m
A	10% or £20m	15% or £30m	10% or £20m	10% or £20m
A-	10% or £20m	15% or £30m	5% or £10m	10% or £20m
BBB+	5% or £10m	5% or £10m	n/a	n/a
None	n/a	n/a	n/a	n/a

The credit ratings quoted in the above table are for the financial institution, instrument or security provided and are the lowest of the relevant long term ratings from the three main Credit ratings agencies, S&P, Moodys and Fitch.

Time Limits

In addition to the monetary limits above, the following maximum time limits will be placed on investments:

Category	Max. Time Limit
20% of Assets Under Management / £60m	5 Years
15% of Assets Under Management / £30m	1 Years
10% of Assets Under Management / £20m	6 months
5% of Assets Under Management / £10m	3 months

In addition to the above limits, no more than 25% of assets under management will have a maturity greater than 1 year.

In considering an investment, consideration is given to a wide range of information, not simply the credit ratings of the institution being considered. This will include financial information on the institution, relevant Credit Default Swaps and equity pricing data, and the general macro-economic, market and sector background. The investment risks and controls to mitigate those risks are outlined to the end of this document.

Policy on Delegation

The Treasury Cash Fund is operated under the Council's Treasury Policy Statement and the delegations are defined in that document.

Reporting Arrangements

This will include, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs. The Head of Finance will report to the Council as follows:

- (a) A Treasury Strategy prior to the commencement of the financial year.
- (b) A mid-term report during the financial year.
- (c) A Treasury Annual Report as soon as practicable after the end of the financial year.
- (d) Ad hoc reports according to need.

Type of Investment	Treasury Risks	Mitigating Controls
a. Deposits with the Debt Management Account Facility (UK Government) (Very low risk)	This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months.	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.
b. UK Treasury Bills (Very Low Risk)	These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates unless held to maturity. Maturity at issue is only 1, 3 or 6 months so will be used mainly in the 1 to 3 month period to provide a high level of security but a better return than the DMADF in (a).	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.
c. UK Gilts (Very Low Risk)	These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates unless held to maturity. There is a risk to capital if the Gilt needed to be sold, so should only be used on a hold to maturity basis as a proxy for a slightly longer maturity Treasury Bill	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments. Would only be used on a hold to maturity basis at the very short end of the yield curve.
d. Deposits with other local authorities or public bodies (Very low risk)	These are considered quasi UK Government debt and as such counterparty risk is very low, and there is no risk to value.	Little mitigating controls required for local authority deposits, as this is a quasi UK Sovereign Government investment.
e. Money Market Funds (MMFs) (low/medium risk)	Pooled cash investment vehicle which provides short term liquidity.	Funds will generally be used to provide liquidity for the Cash Fund.
f. Bond Funds (low/medium risk)	AAA Rated Pooled cash investment vehicle investing in a range of Government, Financial Institutions and Government Bonds.	Fairly liquid vehicle investing in Bonds with a high average credit rating, will only be used for a relatively small proportion of the fund.
g. Call account deposit accounts with financial institutions (banks and building societies) (Risk is dependent on credit rating)	These tend to be moderately low risk investments, but will exhibit higher risks than the categories (a) to (d) above. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice. These will be used to provide the primary liquidity source for Cash Management	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Pools. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
h. Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating)	The risk on these is determined, but will exhibit higher risks than categories (a) to (d) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Pools On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
i. Certificates of deposits with financial institutions (risk dependent on credit rating)	These are short dated marketable securities issued by financial institutions and as such counterparty risk is low, but will exhibit higher risks than categories (a) to (d) above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Pools. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
j. Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates etc.) (Low to medium risk depending on period & credit rating)	These tend to be medium to low risk investments, but will exhibit higher risks than categories (a) to (d) above. Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Pools. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.

<p>k. Bonds (Low to medium risk depending on period & credit rating)</p>	<p>This entails a higher level of risk exposure than gilts and the aim is to achieve a higher rate of return than normally available from gilts. They do have an exposure to movements in market prices of assets held.</p>	<p>The counterparty selection criteria approved above restricts lending only to high quality counterparties, on a hold to maturity basis. Bonds may also carry an explicit Government Guarantee.</p>
<p>l. Floating Rate Notes (Low to medium risk depending on credit rating)</p>	<p>These are Bonds on which the rate of interest is established periodically with reference to short term interest rates.</p>	<p>The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Pools. Will be used in an increasing interest rate environment but only for a limited proportion of the portfolio.</p>
<p>m. Commercial Paper (Low to medium risk depending on credit rating)</p>	<p>These are short term promissory notes issued at a discount par. They entail a higher level of risk exposure than gilts and the aim is to achieve a higher rate of return than normally available from gilts. They do have an exposure to movements in market prices of assets held.</p>	<p>The counterparty selection criteria approved above restricts lending only to high quality counterparties, on a hold to maturity basis. They are relatively short maturity.</p>
<p>n. Secured Investments (relatively low risk due to dual recourse)</p>	<p>These include Reverse Purchase Agreements (Repo) and Covered Bonds issued by banks and building societies.</p>	<p>Both Repo and Covered Bonds provide opportunities to lower credit risk by having any exposure supported by an enhanced level of high quality collateral such as Gilts in the case of Repo. The lower credit risk is reflected in the Cash Fund being able to invest larger % or value amounts as shown in the criteria for financial institutions in (k).</p>

The City of Edinburgh Council

Treasury Management Policy Statement

Summary

The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services. As part of the adoption of that code, the Council agreed to create and maintain, as the cornerstones for effective treasury management:

- a Treasury Management Policy Statement (TMPS), stating the policies and objectives of its treasury management activities; and
- suitable Treasury Management Practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

This document outlines the Council's Treasury Management Policy Statement which provides a framework for the Council's treasury management activities. Any reference in the Treasury Policy Statement to the Chief Financial Officer should be taken to be any other officer to whom the Chief Financial Officer has delegated his powers.

Approved Activities

The Council defines its treasury management activities as:

“The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

Subject to any legal restrictions, this definition covers the following activities:

- arranging, administering and managing all capital financing transactions
- approving, arranging and administering all borrowing on behalf of the Council
- cash flow management
- investment of surplus funds
- ensuring adequate banking facilities are in place, negotiating bank charges, and ensuring the optimal use by the Council of banking and associated facilities and services

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.

The Council also acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Treasury Management Strategy

The treasury management strategy for the cash fund is to:

- Secure both capital and revenue funding at the lowest cost in the medium term; and
- ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks

Approved Sources of Finance

Finance will only be raised in accordance with legislation and within this limit the Council has a number of approved methods and sources of raising capital finance. No other instrument other than those listed below may be used

- Bank Overdraft
- Temporary Loans
- Loans from the Public Works Loan Board
- Loans from the European Community institutions
- Long-Term Market Loans
- Bonds
- Stock Issues
- Negotiable Bonds
- Internal (Capital Receipts and Revenue Balances)
- Commercial Paper
- Medium Term Notes
- Finance and Operating Leases
- Deferred Purchase Covenant Agreements
- Government and European Community Capital Grants
- Lottery Monies
- Public and Private Partnership funding initiatives

Permitted Instruments

Where possible the Head of Finance, the Council's Statutory Section 95 Chief Financial Officer, will manage all of the Council's temporary surplus funds together and invest them using the Council's Treasury Cash Fund. The investment restrictions contained in the Treasury Cash Fund Policy Statement therefore apply to the City of Edinburgh Council's monies.

However small operational balances will need to be retained with the Council's bankers, and in other cases – such as devolved schools – relatively small investment balances may be operated locally. Some allowance for temporary deposits has therefore been made.

In addition, the Council has some non-cash investment types and these are also included in the Policy Statement.

The Head of Finance, as the Council's Statutory Chief Financial Officer, may invest monies in accordance with the Council's requirements only by using the following instruments:

- (a) Temporary deposit with an approved institution of the Bank of England or with any other approved organisation for investment (see below)
- (b) Money Market Funds
- (c) Debt Management Office's Debt Management Agency Deposit Facility
- (d) Investment Properties
- (e) Loans to Other Organisations
- (f) Investment in share capital of Council Companies and Joint Ventures
- (g) Loans (including mezzanine debt) to / investment in the Loan Stock of Council Companies and LLPs
- (h) Investment in Shared Equity Housing Schemes
- (i) Investment in the Subordinated Debt of projects delivered via the "HubCo" model

Approved Organisations for Investment

The approved counterparty limits are as follows:

- (a) *The Council's bankers with no limit.*
- (b) *DMO's DMADF with no limit.*
- (c) *AAA Money Market Funds with no limit.*
- (d) *financial institutions on the Bank of England's authorised list where the lowest of their long term rating from the three main Credit ratings agencies, S&P, Moody's and Fitch, equivalent to A- or above up to a maximum of £10 million per institution.*
- (e) *building societies where the lowest of their long term rating from the three main Credit ratings agencies, S&P, Moody's and Fitch, equivalent to A- or above up to a maximum of £5 million per institution.*
- (f) *Subordinated debt of projects delivered via "HubCo" model up to a maximum of £1 million.*

In addition, there is no explicit limit at present for the non-cash investment types. However, it is anticipated that each specific investment of these types would be reported individually to Council and a full list of them will be contained in the Treasury Annual Report.

The investment risks and controls to mitigate those risks are outlined to the end of this document.

Policy on Delegation

Responsibility for the implementation and regular monitoring of the Council's treasury management policies and practices is retained by the Council.

The Council delegates responsibility for the execution and administration of Treasury Management decisions to the Head of Finance, as the Statutory Section 95 Chief Financial Officer, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

The Council nominates the Governance, Risk and Best Value Committee to be responsible for the ensuring effective scrutiny of the treasury management strategy and policies.

Reporting Arrangements

This will include, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs. The Head of Finance will report to the Council as follows:

- (a) A Treasury Strategy prior to the commencement of the financial year.
- (b) A mid-term report during the financial year
- (c) A Treasury Annual Report as soon as practicable after the end of the financial year..
- (d) Ad hoc reports according to need.

Type of Investment	Treasury Risks	Mitigating Controls
a. Deposits with the Debt Management Account Facility (UK Government) (Very low risk)	This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months.	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.
b. Money Market Funds (MMFs) (low/medium risk)	Pooled cash investment vehicle which provides short term liquidity.	Funds will generally be used to provide liquidity for the Cash Fund.
c. Call account deposit accounts with financial institutions (banks and building societies) (Risk is dependent on credit rating)	These tend to be moderately low risk investments, but will exhibit higher risks than the category (a) above. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice. These will be used to provide the primary liquidity source for Cash Management	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence
d. Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating)	The risk on these is determined, but will exhibit higher risks than category (a) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
e. Investment properties	These are non-service properties which are being held solely for a longer term rental income stream or capital appreciation. These are highly illiquid assets with high risk to value (the potential for property prices to fall).	Property holding will be re-valued regularly and reported annually with gross and net rental streams.
f. Loans to third parties, including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit substantial credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default.
g. Loans to a local authority company or LLP	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit significant credit risk and are likely to be highly illiquid. In the case of mezzanine loans, these are specifically to ensure that the LLPs tasked with delivering Council objectives do so within State Aid rules	Each loan to a local authority company requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default. The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. Strict viability tests to ensure long term financial security are completed before any funds are advanced to the LLP.
h. Shareholdings in a local authority company	These are service investments which may exhibit market risk and are likely to be highly illiquid.	Each equity investment in a local authority company requires Member approval and each application will be supported by the service rational behind the investment and the likelihood of loss.
i. Investment in Shared Equity Schemes	These are service investments which exhibit property market risk and are likely to be highly illiquid, with funds tied up for many years.	Each scheme investment requires Member approval and each decision will be supported by the service rational behind the investment and the likelihood of loss.
j. Investment in the Subordinated Debt of projects delivered via the "Hubco" model	These are investments which are exposed to the success or failure of individual projects and are highly illiquid	The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. As such they are well placed to influence and ensure the successful completion of the project's term

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Edinburgh Local Development Plan Action Programme 2020 – Financial Assessment

Executive/routine	Routine
Wards	All
Council Commitments	1, 4, 6 10, 11 16, 17, 22, 26 28, 32 43

1. Recommendations

- 1.1 It is recommended that the Committee notes:
 - 1.1.1 the adopted Action Programme 2020 (Appendix 1);
 - 1.1.2 the high-level costs implications arising from the Action Programme as set out below; and
 - 1.1.3 the progress on prioritising the delivery of infrastructure actions arising from the Local Development Plan (LDP).

Paul Lawrence

Executive Director of Place

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Edinburgh Local Development Plan Action Programme 2020 – Financial Assessment

2. Executive Summary

- 2.1 Edinburgh is a successful growing city. To support growth and to ensure the city grows in a sustainable way, new infrastructure provision and enhancements associated with new development must be delivered. The Council has identified the infrastructure actions required to help deliver the growth and these are set out in the LDP Action Programme (February 2020).
- 2.2 This report updates Committee on the financial implications of the infrastructure set out in the Action Programme on future capital and revenue budgets, and the potential funding sources available to the Council to support this infrastructure.

3. Background

- 3.1 The Edinburgh LDP was adopted on 24 November 2016. The LDP sets out policies and proposals relating to the development and use of land. The policies within the LDP are used to determine planning applications. The proposals within the LDP set out how Edinburgh will develop over the next 5 to 10 years.
- 3.2 The LDP is accompanied by a statutory Action Programme which sets out how the LDP is to be delivered. The Action Programme is a corporate document which is used to manage the delivery of the infrastructure and services needed to support growth.
- 3.3 The first Edinburgh Local Development Plan Action Programme (LAPAP) was adopted on 8 December 2016. The second was adopted in January 2018, and the third in January 2019. In February 2019, a financial assessment of the impact of the adopted Edinburgh LDP and its Action Programme on the Council's future capital and revenue budgets was noted by the Finance and Resources Committee.
- 3.4 Planning authorities are required to publish an updated Action Programme at least every two years. A new Action Programme has been formally adopted by Planning Committee on 26 February 2020. The purpose of this report is to provide an updated financial assessment of the Action Programme 2020.

4. Main report

- 4.1 Edinburgh is a successful growing city. The LDP aims both to support the growth of the city economy and to help increase the number and improve the quality of new homes being built. To support growth and to ensure the city grows in a sustainable way, new infrastructure provision and enhancements associated with new development must be delivered.
- 4.2 Infrastructure actions are set out in the LDP Action Programme (February 2020, Appendix 1) and include:
- 4.2.1 Education infrastructure capacity, including new schools.
 - 4.2.2 Transport improvements including public transport, the Edinburgh tram project, public realm and other pedestrian and cycle actions, traffic management, including strategic infrastructure from the Strategic Development Plan, and junction improvements,
 - 4.2.3 Green space actions.
 - 4.2.4 Primary healthcare infrastructure capacity.
- 4.3 The Council has costed the capital impact of delivering the infrastructure actions required to support growth and this is set out below.

Education Infrastructure

- 4.4 To support new housing development, the Action Programme sets out a requirement for seven new primary schools, sixteen primary school extensions, creation of additional capacity at nine high schools and nursery infrastructure linked to the delivery of new schools. The estimated base capital cost of building the education actions, including required land and associated costs including remediation, servicing and Land and Buildings Transaction Tax, is currently £226.453m based on Business Cost Information Service (BCIS) Quarter 4 2017 (this excludes any indexation and financing costs). This base cost includes an allowance for project management fees and contingency of 22.5% of base construction costs.

Transport Infrastructure

- 4.5 To support the housing and economic development proposals within the plan, the estimated base capital cost of the transport improvements is £185.453m based on BCIS Quarter 1 2016 (this excludes any indexation and financing costs). This base cost, with the exception of those relating to the West of Edinburgh Transport Appraisal (WETA Refresh December 2016), include an allowance for project management fees and contingency of 22.5% of base construction costs. For WETA actions an allowance of 44% of base construction cost has been applied.

Greenspace

- 4.6 The Plan identifies a requirement for 11 new large green spaces. The total cost of the infrastructure package has been estimated to be £4.476m (this excludes any

indexation and financing costs). This will be funded from a combination of Section 75 developer contributions and grant funding.

Primary Healthcare

- 4.7 The Council has worked with NHS Lothian and the Health and Social Care Partnership to identify the primary healthcare capacity improvements required to support the plan. This includes five new GP practices and eleven GP practice expansions. The total base capital cost of delivering new healthcare infrastructure is £34.67m based on BCIS Q4 2017 (this excludes any indexation and financing costs). Healthcare actions will be funded by a combination of Section 75 developer contributions and NHS Lothian funding.

Total base capital costs

- 4.8 The total base capital cost of delivering the infrastructure actions to support the LDP are summarised in the table below.

Summary of base capital costs associated with the delivery of LDP Actions	
Infrastructure Requirement	Cost
Education	£226.453m
Transport	£185.453m
Greenspace	£4.476m
Primary Healthcare	£34.670m
Total costs	£451.052m

Capital Impact on Council Budgets

- 4.9 The Council utilises a financial model to calculate a more accurate assessment of the cost of delivering the LDP. The model considers all cost implications of the LDP where they have an impact on Council budgets, indexing to take account of inflation and an assumed timeline for delivery of infrastructure actions, and the potential recovery of Section 75 developer contributions. The model is updated on an annual basis. The actions relating to Greenspace and Healthcare actions are not included in the model as they are not expected to have a capital impact on Council budgets.
- 4.10 A summary of the relevant income and expenditure is set out in the table below.

	Capital expenditure (indexed)	Capital income – Section 75 Developers Contributions and City Deal funding (indexed)	Net funding gap after income
Education	£244.784m	£185.988m	£58.796m
Transport	£237.715m	£126.111m	£111.604m
Total	£482.499m	£312.099m	£170.400m

Capital Expenditure Projections

- 4.11 The expenditure projections set out above are based on an assessment of when the infrastructure will be required based on the timing of housing completions as set out in the approved Housing Land Audit and Completions Programme 2019. This allows for capital expenditure and the delivery of housing to be monitored to ensure delivery of infrastructure at the optimal time.

Capital Income Projections

- 4.12 The projected income set out within the model will be secured from section 75 developer contributions.

Developer Contributions

- 4.13 Through its planning powers, the Council can secure financial and other contributions from developers towards the delivery of the infrastructure actions identified. The Council's approach is to pursue full cost recovery from development for its share of the infrastructure required to support growth based on LDP Policy Del 1 and the adopted LDP Action Programme.
- 4.14 However, the Council's powers were never provided to ensure that local authorities are protected from the cost of development. Developer contributions can be appealed, and contributions reduced due to viability. Viability issues are arising in areas where there are legacy land value issues and in areas where there is significant new infrastructure, such as new schools.
- 4.15 Infrastructure costs vary significantly across the city and as viability issues are considered on a case by case basis, it is not possible to accurately assess the projected funding gap from Section 75 contributions. To aid prudent financial planning, the financial model assumes a 60% recovery rate on those agreements that are yet to be signed, resulting in the current funding gap of £170.400m. The recovery of Section 75 contributions to fund infrastructure will be monitored closely through the financial model and any funding gaps will be reported on an annual basis.

South East Scotland City Region Deal

- 4.16 The South-East Scotland City Region Deal was signed on 20 July 2017. Partial funding of £120m for the A720 city bypass at the Sheriffhall Roundabout (delivered by Transport Scotland) and a total of £36m (£20m funding through South East Scotland City Region Deal and £16m funding from Council's Capital Programme) for transport improvements across west Edinburgh was agreed as part of the deal. A dedicated programme is underway to take forward these projects.

Revenue Impact on Council Budgets

- 4.17 The model also sets out the indicative annual revenue funding implications for completed infrastructure at year ten and assumed additional demand on Council service area budgets. Work is continuing to determine the full impact on service area budgets.

Education	
Staffing costs per annum:	£11.775m
Running and lifecycle costs per annum:	£16.381m
Total costs:	£28.156m
Service areas	
Refuse collection per annum:	£1.898m
Refuse disposal per annum:	£3.042m
Street cleaning per annum:	£0.884m
Adopted street lighting per annum:	£0.271m
Road Maintenance: Road gully cleaning costs <i>Note: Lifecycle costs for maintenance of new roads are being considered.</i>	£0.288m
Green space maintenance: Commuted sums for maintenance collected as part of planning consent.	N/A
Total costs:	£6.383m

- 4.18 The LDP is estimated to give rise to significant additional net housing provision within the city. Given the underlying needs basis of the grant distribution system, and other things being equal, the resulting rise in population would increase the city's share of available funding.
- 4.19 An increase in the city's housing stock will also give rise to additional Council Tax income. The Council's long-term financial plan assumes that a proportion of this additional Council tax revenue would be used to offset the revenue and loan charge impact that would arise as consequence of delivering infrastructure actions.

5. Next Steps

- 5.1 Transport Actions within the Action Programme are based on a high-level estimate carried out in 2016. A formal update of this is to be carried out over the next six months in order to refresh the financial impact these actions will have on the Council's capital budget. The aim will be to take these actions to early design stage. Alongside this, a prioritisation exercise will be concluded refining the time line for delivering transport infrastructure to support growth. The output of this will be reported in the next update reports on the LDP Action Programme and associated Financial Assessment.

LDP Within the Context of the Capital Budget

- 5.2 The Council's capital budget strategy for the period 2020-2030, approved on 20 February 2020, included £166m for infrastructure to support population growth. This is in addition to the £35m approved for LDP actions in February 2018. These

budgets will allow the Council to take forward the highest priority LDP actions in a timeframe that is consistent with anticipated development.

6. Financial impact

- 6.1 There are significant direct financial impacts arising from the delivery of infrastructure actions to support the LDP over its ten-year timeframe.
- 6.2 The Council is able to collect contributions towards infrastructure actions. However, the Council's powers are unlikely to lead to full cost recovery from developers and there will be a net funding requirement falling to the Council because of infrastructure provision. There also is a risk on the timing of when developer contributions will be received as a developer's cash flow cannot support the upfront payment of contributions. This is also a factor when considering the overall funding gap to the Council.
- 6.3 The report sets out a projected net capital expenditure funding requirement for Education infrastructure of £58.795m. If this expenditure were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a thirty-year period would be a principal amount of £58.795m and interest of £38.805m. This means a total cost of £97.600m based on a loans fund interest rate of 4%.
- 6.4 The report also sets out a projected net capital expenditure funding requirement for Transport infrastructure of £111.604m. If this expenditure were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a twenty-year period would be a principal amount of £111.604m and interest of £52.111m. This means a total cost of £163.715m based on a loans fund interest rate of 4%.
- 6.5 The net funding requirement for the LDPAP is assessed on an annual basis, as part of the Council's Capital Strategy. Actions are prioritised in terms of need and delivery timescales and considered alongside other Council priorities prior to the allocation of funding at the Council's budget-setting meeting.
- 6.6 It should be noted that the Council's Capital Investment Programme is funded through a combination of General Capital Grant from the Scottish Government, developers and third-party contributions, capital receipts and borrowing. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy and is provided for on an overall programme basis rather than for individual capital projects. Following instruction from Members, notional loan charge estimates have been provided above. These assume borrowing in full for these capital projects.

7. Stakeholder/Community Impact

- 7.1 In preparing the Action Programme, the legislation requires the Council to seek the views of, and have regard to any views expressed by:
 - the key agencies, and

- such persons as may be prescribed.

7.2 The Council, in preparing the Plan and the adopted 2016 Action Programme, engaged with the Key Agencies, (e.g. SEPA, Scottish Natural Heritage, Scottish Water and NHS Lothian, Historic Environment Scotland, Transport Scotland) and developers and communities.

8. Background reading/external references

- 8.1 Edinburgh Local Development Plan: Action Programme – adoption – [Report to Planning Committee, 26 February 2020](#)
- 8.2 Edinburgh Local Development Plan: Action Programme – Financial Assessment – [Report to Finance and Resources Committee, 1 February 2019](#)
- 8.3 Edinburgh Local Development Plan: Action Programme – adoption – [Report to Planning Committee, 23 January 2019](#)
- 8.4 [Supplementary Guidance on Developer Contributions and Infrastructure Delivery: Update, 27 February 2019](#)
- 8.5 Edinburgh Local Development Plan: Action Programme – adoption – Report to Housing and Economy Committee, 23 January 2018
- 8.6 Edinburgh Local Development Plan: Action Programme – Financial Assessment – [Report to Finance and Resources Committee 23 January 2018](#)
- 8.7 Edinburgh Local Development Plan: Action Programme – adoption – [Report to Planning Committee, 8 December 2016](#)
- 8.8 Edinburgh Local Development Plan: Action Programme – Financial Assessment – [Report to Finance and Resources Committee, 19 January 2017](#)
- 8.9 Edinburgh Local Development Plan - Adoption, [Report to Full Council, 24 November 2016](#)
- 8.10 [LDP Education Infrastructure Appraisal \(updated August 2018\)](#)
- 8.11 [LDP West Edinburgh Transport Appraisal Refresh \(November 2016\)](#)
- 8.12 [LDP Transport Appraisal Addendum update \(November 2016\)](#)

9. Appendices

- 9.1 Appendix 1 - LDP Action Programme 2020 (adopted 26 February 2020).

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The Local Development Plan sets out policies and proposals to guide development.

The Action Programme sets out actions to deliver the Plan.

The Report of Conformity explains how engagement informed the Plan.

The Habitats Regulations Appraisal assesses the Plan's impact on internationally important bird habitats.

The Transport Appraisal identifies transport actions to support the Plan.

The Education Appraisal identifies new and expanded schools to support the Plan.

The Equalities & Rights Impact Assessment checks what impact the Plan will have on people.

The Environmental Report assesses the impact of the Plan and explains the selection of new housing sites.

The Housing Land Study sets out the assumption on housing land availability which inform the Local Development Plan.

See the documents, supplementary guidance, and other information at:
www.edinburgh.gov.uk/localdevelopmentplan
www.edinburgh.gov.uk/supplementaryguidance

Adopted 24 November 2016



Published in 2011



Published in 2013



Published in 2014



**Edinburgh Local Development Plan
Action Programme**
February 2020

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INTRODUCTION

This is the Action Programme which accompanies the adopted Edinburgh Local Development Plan (LDP). Section 21 of the Planning etc. (Scotland) Act 2006 requires planning authorities to prepare an Action Programme setting out how the authority proposes to implement their LDP.

The Local Development Plan (LDP) aims to:

- support the growth of the city economy;
- help increase the number and improve the quality of new homes being built;
- help ensure that the citizens of Edinburgh can get around easily by sustainable transport modes to access jobs and services;
- look after and improve our environment for future generations in a changing climate; and,
- help create strong, sustainable and healthier communities, enabling all residents to enjoy a high quality of life.

Infrastructure is key to the delivery of the aims and strategy of the adopted LDP. The Plan recognises that the growth of the city, through increased population and housing, business and other development, will require new and improved infrastructure. Without infrastructure to support Aims 1 and 2, the Plan will not help achieve Aims 3, 4, and 5.

The Action Programme sets out how the infrastructure and services required to support the growth of the city will be delivered.

The Action Programme is intended to help align the delivery of the Local Development Plan with corporate and national investment in infrastructure. It will be used by the Council as a delivery mechanism to lever the best possible outcome for the city and to coordinate development proposals with the infrastructure and services needed to support them.

The Action Programme is informed by the annual Housing Land Audit and Completions Programme (HLACP). The Action Programme will be used to manage infrastructure planning with a view to avoiding unnecessary constraints on delivery.

It is intended that this Action Programme will be a live working document and will be annually reviewed. Actions, including identified costs, set out within this action programme are subject to review and change. The Action Programme will be reported to the Council's Planning Committee and to other relevant committees for approval on an annual basis.

This Action Programme should be read alongside Local Development Plan Policy Del 1 (Developer Contributions) and Supplementary Guidance on Developer Contributions and Infrastructure Delivery.

To allow future legal agreements to apply indexation to the point of signing from the date that the costs were made, this action programme clarifies that transport costs were costed in Q1 2016. Education costs are from Q4 2018. The level of contingency applied to the base construction costs (at Q1 2016) is 22.5%, except for those relating to the West of Edinburgh Transport Appraisal (WETA Refresh December 2016) which applies an additional 44% of base construction costs.

Strategic transport actions are a mixture of strategic transport projects that the Council wishes to see delivered either within the plan period, or safeguarded for the future. They are not actions attributed to the growth associated with development proposal and spatial strategy in the LDP. For this reason, the costs are not provided and developer contributions are not being sought to deliver these actions.

1. Education Actions

LDP Contribution Zone	Education Action	Estimated Capital Cost (Q4 2017)	Funding	Owner	Delivery timescale	Status
Queensferry	2 RC Primary School classes (St Margaret's RC PS)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-18	Delivered
	1 Primary School class (Kirkliston PS)	£392,194	s.75/gap funding	CEC: Communities and Families	Aug-19	Delivered
West	3 Primary School classes (Gylemuir PS)	£946,876	s.75/gap funding	CEC: Communities and Families	Aug-19 (part)	One additional classroom delivered. Requirement for additional capacity to be monitored.
Queensferry	Additional secondary school capacity - 275 pupils (to mitigate the impact of development within the catchment area of Queensferry Community HS)	£8,986,375	s.75/gap funding	CEC: Communities and Families	Mar-20	Project progressing.
Liberton Gracemount	New 14 class Primary School and 80 nursery (Broomhills) - construction	£13,538,437	s.75/gap funding	CEC: Communities and Families	Aug-20	Project progressing.
	New 14 class Primary School and 80 nursery (Broomhills) - R&S	£5,121,593	s.75/gap funding	CEC: Communities and Families	Aug-20	Project progressing.
	New 14 class Primary School and 80 nursery (Broomhills) - land value	£2,950,000	s.75/gap funding	CEC: Communities and Families	Aug-20	Project progressing.
	4 RC Primary School classes (St John Vianney RC PS or St Catherine's RC PS)	£1,193,665	s.75/gap funding	CEC: Communities and Families	Aug-20 (part)	Two additional classrooms at St John Vianney RC PS to be provided for Aug 20. Additional capacity to be provided through replacement of St Catherine's RC PS
West	4 RC Primary School classes (Fox Covert St Andrews RC PS or St Joseph's RC PS)	£1,193,665	s.75/gap funding	CEC: Communities and Families	Aug-20 (part)	Project to provide two additional classrooms at Fox Covert St Andrews RC PS progressing. Requirement for additional capacity at St Joseph's RC PS to be monitored.
Craigroyston Broughton	2 RC Primary School classes (St David's RC PS)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-20	Project progressing.
Boroughmuir James Gillespie's	Additional secondary school capacity - 66 pupils (to mitigate the impact of development within the catchment areas of Boroughmuir HS and James)	£2,156,730	s.75/gap funding	CEC: Communities and Families	Aug-20	Projects to provide additional capacity at both schools are progressing.
Leith Trinity	New 14 class Primary School and 80 nursery (New Victoria Primary School Phase 1) - construction	£13,538,437	s.75/gap funding	CEC: Communities and Families	Phase 1: Apr-21	Project progressing
	New 14 class Primary School and 80 nursery (New Victoria Primary School Phase 1) - R&S	£3,485,846	s.75/gap funding	CEC: Communities and Families	Phase 1: Apr-21	Project progressing
	New 14 class Primary School and 80 nursery (New Victoria Primary School Phase 1) - land	£1,450,000	s.75/gap funding	CEC: Communities and Families	Phase 1: Apr-21	Project progressing
Boroughmuir James Gillespie's	4 Primary School classes (to be delivered by the new South Edinburgh PS)	£1,193,665	s.75/gap funding	CEC: Communities and Families	Aug-21	Project progressing
South West	2 Primary School classes (Dean Park PS)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-21	Five additional classrooms now required (see Currie PS information below). Feasibility work underway.
	3 Primary School classes (Currie PS)	£946,876	s.75/gap funding	CEC: Communities and Families	Aug-21	Following catchment change, additional classrooms to be delivered at Dean Park PS.

LDP Contribution Zone	Education Action	Estimated Capital Cost (Q4 2017)	Funding	Owner	Delivery timescale	Status
Castlebrae	3 Primary School classes (Castleview PS)	£946,876	s.75/gap funding	CEC: Communities and Families	Aug-21	Feasibility work required.
	Extension to Castleview PS dining hall	£392,194	s.75/gap funding	CEC: Communities and Families	Aug-21	Feasibility work required.
Firhill	Additional secondary school capacity - 7 pupils (to mitigate the impact of development within the catchment area of Firhill HS)	£228,744	s.75/gap funding	CEC: Communities and Families	Aug-21	Working group to be established.
Castlebrae	Additional secondary school capacity - 261 pupils (to mitigate the impact of development within the catchment area of Castlebrae Community HS)	£8,528,886	s.75/gap funding	CEC: Communities and Families	Aug-21	Project progressing.
Drummond	2 Primary School classes (to mitigate the impact of development within the catchment areas of Broughton PS, Abbeyhill PS and Leith Walk PS)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-21	Two additional classrooms to be provided at Broughton PS.
West	New 21 class primary school and 120 nursery (Maybury) - construction	£18,134,905	s.75/gap funding	CEC: Communities and Families	Aug-22	Site identified in LDP. Statutory consultation progressing.
	New 21 class primary school and 120 nursery (Maybury) - R&S	£3,241,760	s.75/gap funding	CEC: Communities and Families	Aug-22	Site identified in LDP. Statutory consultation progressing.
	New 21 class primary school and 120 nursery (Maybury) - land	£4,750,000	s.75/gap funding	CEC: Communities and Families	Aug-22	Site identified in LDP. Statutory consultation progressing.
Liberton Gracemount	Additional secondary school capacity - 522 pupils (to mitigate the impact of development within the catchment areas of Liberton HS and Gracemount HS)	£17,057,773	s.75/gap funding	CEC: Communities and Families	Aug-22	Feasibility work required.
Leith Trinity	Additional secondary school capacity - 251 pupils (to mitigate the impact of development within the catchment areas of Leith Academy and Trinity Academy)	£8,202,109	s.75/gap funding	CEC: Communities and Families	Aug-23	Feasibility work underway to provide additional capacity at Trinity Academy. Requirement for additional capacity at Leith Academy to be monitored.
Castlebrae	New 11 class Primary School and 80 nursery (Brunstane) - construction	£12,218,285	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified in LDP. Statutory consultation progressing.
	New 11 class Primary School and 80 nursery (Brunstane) - R&S	£5,121,593	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified in LDP. Statutory consultation progressing.
	New 11 class Primary School and 80 nursery (Brunstane) - land	£2,950,000	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified in LDP. Statutory consultation progressing.
Queensferry	New 14 class Primary School and 80 nursery (South Queensferry) - construction	£13,538,437	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified in LDP. Statutory consultation required.
	New 14 class Primary School and 80 nursery (South Queensferry) - R&S	£2,322,342	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified in LDP. Statutory consultation required.
	New 14 class Primary School and 80 nursery (South Queensferry) - land	£3,050,000	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified in LDP. Statutory consultation required.
Liberton Gracemount	New 7 class Primary School and 60 nursery (Gilmerton Station Road) - construction	£8,893,839	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified. Statutory consultation required.
	New 7 class Primary School and 60 nursery (Gilmerton Station Road) - R&S	£5,121,593	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified. Statutory consultation required.
	New 7 class Primary School and 60 nursery (Gilmerton Station Road) - land	£3,000,000	s.75/gap funding	CEC: Communities and Families	Aug-23	Site identified. Statutory consultation required.

LDP Contribution Zone	Education Action	Estimated Capital Cost (Q4 2017)	Funding	Owner	Delivery timescale	Status
West/Tynecastle	Additional secondary school capacity (St Augustine's RC HS)	£2,548,863	s.75/gap funding	CEC: Communities and Families	Aug-23	Feasibility work required.
West	Additional secondary school capacity – 420 pupils (to mitigate the impact of development within the catchment areas of non-denominational secondary schools within West Edinburgh)	£13,737,847	s.75/gap funding	CEC: Communities and Families	Aug-23	Site to be identified. Feasibility work and statutory consultation required.
Craigroyston Broughton	Additional secondary school capacity – 273 pupils (to mitigate the impact of development within the catchment areas of Craigroyston Community HS and Broughton HS)	£8,921,019	s.75/gap funding	CEC: Communities and Families	Aug-23	Feasibility work required.
Tynecastle	2 Primary School class (Balgreen PS)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-24	Plan in place if required.
Liberton Gracemount	2 Primary School classes (Craigour Park PS)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-24	Plan in place if required.
Portobello	2 Primary School classes (to mitigate the impact of development within the catchment area of The Royal High Primary School)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-24	Feasibility work required.
Leith Trinity	2 RC Primary School classes (Holycross RC PS)	£784,388	s.75/gap funding	CEC: Communities and Families	Aug-24	Feasibility work required.
Craigroyston Broughton	New 14 class Primary School and 80 nursery (Granton Waterfront) - construction	£13,538,437	s.75/gap funding	CEC: Communities and Families	Aug-24	Site identified. Statutory consultation required.
	New 14 class Primary School and 80 nursery (Granton Waterfront) - R&S	£3,485,846	s.75/gap funding	CEC: Communities and Families	Aug-24	Site identified. Statutory consultation required.
	New 14 class Primary School and 80 nursery (Granton Waterfront) - land	£525,000	s.75/gap funding	CEC: Communities and Families	Aug-24	Site identified. Statutory consultation required.

2.a Strategic Transport Actions

LDP ACTION - Strategic transport actions and safeguards	FURTHER DETAILS	Baseline indicative construction cost (ICC)	Subtotal with 22.5% added	FUNDING	OWNER	DELIVERY
Edinburgh Glasgow Improvement Project (EGIP) (T2)	The Edinburgh Glasgow Improvement Programme (EGIP) is a comprehensive package of improvements to Scotland's railway infrastructure.			National funding	Safeguard – Place Development Delivery - Network Rail / Transport Scotland	2019 onwards Transport Scotland Safeguarding still in place.
Rail Halts at: Portobello, Piershill and Meadowbank (T3)	LDP Safeguard. Required to ensure development does not prejudice future re-use of existing abandoned halts. Re-introduction of passenger services is not currently considered viable by the rail authority but this may change			No funding identified	Place Development	Network Rail Long-term safeguard
South Suburban Halts (T4)	LDP Safeguard. Required to ensure development does not prejudice future re-use of existing abandoned halts. Re-introduction of passenger services is not currently considered viable by the rail authority but this may change			No funding identified	Place Development	Network Rail Long-term safeguard
Orbital Bus Route (T5)	The Orbital Bus Route will create an east-west public transport link across the city. A disused railway line between Danderhall and the City Bypass at Straiton is safeguarded in the LDP for appropriate public transport use or use as a cycle / footpath.	N/A			SEStran, CEC, Midlothian, East Lothian, Transport	SEStran, CEC, Midlothian, East Lothian, Transport Long-term safeguard
East Craigs Estate Junction	Junction at Maybury Drive / Maybury Road. Not related to impact of development.	Not costed			Place Development	To be designed and costed.
West of Fort Kinnaird (T15)	LDP Safeguard for new link road between The Wisp and Newcraighall Road	N/A			Place Development	Safeguarded in Plan
Morningside - Union Canal link (T7)	LDP Safeguard Only (Excludes those routes safeguarded under T7 on the Proposals Map which are also identified in a specific Contribution Zone or Site Specific action elsewhere in this	N/A			Place Development	Safeguarded in Plan
Wisp - Fort Kinnaird link (T7)						
Gillberstoun link (T7)						
Fort Kinnaird - Queen Margaret University (T7)						
West Approach cycle link (T7)						
Forrester High cycle link (T7)						
Family Cycle Network Link along railway viaduct (T7)						
North Meggetland - Shandon link (T7)						

LDP ACTION - Strategic transport actions and safeguards	FURTHER DETAILS	Baseline indicative construction cost (ICC)	Subtotal with 22.5% added	FUNDING	OWNER	DELIVERY
Pitlochry Place - Lochend Butterfly (T7) Donaldson cycle link (T7) Round the Forth cycle route (T7) Inglis Green cycle link, new Water of Leith Bridge (T7) Mcleod Street/Westfield Road (T7) Westfield Road - City Centre (T7) Gordon Terrace - Robert Burns Drive link path (T7) Barrton Avenue crossing (T7) Family Network Link via Liberton Tower (T7) Link to Blackford Glen Road (T7) Astley Ainslie Hospital (T7) Pilrig Park - Pirrie Street (T7) Edinburgh Waterfront Promenade (T7) Morrison Crescent - Dalry Road (T7) Off road alternative NCNR 75 (T7) To King's Buildings & Mayfield Road (T7) Lochend Powderhall (T7) Ramped access from Canal to Yeoman Place (T7)	LDP Safeguard Only (Excludes those routes safeguarded under T7 on the Proposals Map which are also identified in a specific Contribution Zone or Site Specific action elsewhere in this Action Programme).				Place Development	Safeguarded in Plan
Edinburgh Tram (T1)	Transport proposal T1 safeguards long term extensions to the network connecting with the waterfront and to the south east.	Tram Contribution Zone.			CEC	Under development Line 1a complete To Newhaven under construction.

2b. Transport

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
WEST EDINBURGH TRANSPORT APPRAISAL (WETA)	A8 Eastbound Bus Lane from Dumbbells to Maybury Junction		£2,567,700	£3,697,488		Public Transport	Place Development	2026/27
	A8 Gogar Roundabout – 4 Lane Northern Circulatory Improvement		£1,699,200	£2,446,848		Roads	Place Development	2021/22
	A8 North side missing link		£537,500	£774,000		Active Travel	Place Development	2022/23
	Broxburn to Newbridge Roundabout bus lane		£3,124,700	£4,499,568		Public Transport	Place Development	2022/23
	Bus Lane under Gogar Roundabout		£64,100	£92,304		Public Transport	Place Development	2021/22
	Bus Priority South West Edinburgh	Improved bus priority linking South West Edinburgh with the Gyle, IBG and airport (including pedestrian / cycle facilities where appropriate).	£4,480,200	£6,451,488		Public Transport and Active Travel	Place Development	2025/26
	Cycle Connection from A8 along Eastfield Road into Airport		£481,500	£693,360		Active Travel	Place Development	2022/23
	Development Link Road Main Street Carriageway		£5,634,900	£8,114,256		Roads	Place Development	2022/23
	Dualling of Eastfield Road Phase 1		£1,802,900	£2,596,176		Roads	Place Development	2023/24
	Dualling of Eastfield Road Phase 2		£1,143,000	£1,645,920		Roads	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
WETA contin.	Dumbbells Roundabout Improvement (T9)		£1,203,000	£1,732,320		Roads	Place Development	2023/24
	Dumbbells westbound off slip		£865,200	£1,245,888		Roads		2023/24
	Gogar to Maybury additional eastbound traffic lane		£20,833,300	£29,999,952		Roads	Place Development	2022/23
	Improved access between Ratho Station and A8 along Station Road. Glasgow Road / Ratho Station improved crossing		£458,200	£659,808		Active Travel	Place Development	2021/22
	Improved Crossings at Turnhouse Road and Maybury Road for designated cycle path	Potential to incorporate as part of delivery project for Maybury Junction action (see separate section). Cost elements to be attributed to relevant developments as per CZs.	£110,000	£158,400		Active Travel	Place Development	2021/22
	Improved Station Road/A8 bridge access for cyclists		£440,800	£634,752		Active Travel	Place Development	2021/22
	Improvements to gravel path (old railway line) from A8/M9 interchange north to Kirkliston (incl. lighting)		£317,600	£457,344		Active Travel	Place Development	2022/23
	Kilpult Park and Ride		£5,500,000	£7,920,000		Public Transport	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
WETA contin.	Link Road Part 1 Dual Carriageway (T10)		£6,301,000	£9,073,440		Roads	Place Development	2022/23
	Link Road Part 2 Single Carriageway		£2,813,900	£4,052,016		Roads	Place Development	2021/22
	Link Road Segregated cycle route		£1,115,000	£1,605,600		Active Travel	Place Development	2021/22
	Maybury Road Approach to Maybury Junction	Potential to incorporate as part of delivery project for Maybury Junction action (see separate section). Cost elements to be attributed to relevant developments as per CZs.	£2,140,400	£3,082,176		Public Transport	Place Development	2026/27
	MOVA improvements at Newbridge/Dumbbells Gogar/Maybury (T9)		£1,510,000	£2,174,400		Roads	Place Development	2021/22
	New Tram Stop		£1,000,000	£1,440,000		Public Transport	Place Development	2022/23
	Newbridge additional lane from M9 onto A8 (T12)		£581,300	£837,072		Roads	Place Development	2021/22
	Station Road to Newbridge Interchange bus lane		£1,112,700	£1,602,288		Public Transport	Place Development	2022/23
	Upgraded Bus interchange facility at Ingliston P+R		£3,000,000	£4,320,000		Public Transport	Place Development	2025/26

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
Calder and Hermiston TCZ	A720 Calder and A720 Hermiston junctions	Signal improvements (MOVA) to A720 Calder and A720 Hermiston junctions identified in the SESplan Cross Boundary and Land Use Appraisal (April 2017).	£0	£0			Transport Scotland	2022/23
Maybury/ Barnton TCZ	Barnton Junction (T19)	Currently delivering Scoot to these junctions to improve traffic signal control and help with traffic increases plus bus priority on the A90 and will be looking to re-charge this against the developer's contribution pot. Target for completion end of November 2019. This addresses the "improved signals control" element in the LDP. Approx cost £100k. The Active Travel element has been subsumed into Brendan Forrester's Maybury Road project.	£800,000	£980,000	Financial contributions secured through signed s.75 for HSG 19 Maybury (West Craigs Ltd and Taylor WimpeyLtd) and HSG 20 Cammo	Traffic Signals	Place Development	2024+
	Craigs Road Junction (T18)	Junction will eventually be delivered by Taylor Wimpy and cost deducted off their contribution to the pot.	£632,500	£774,813	To be delivered as part of housing development HSG 19.	Junctions	Place Development	2022/23

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
Maybury/ Barnton TCZ contin.	Maybury Junction (T17)	A design was drawn up some time ago to improve Maybury Junction ready for the various developments. Assume this will be CEC delivered and use the contributions. Also involves widening the A8 over the railway bridge and signalling the merge from A8 city bound and exit slip from Gogar Roundabout. No timescales for delivery.	£1,864,100	£2,283,523		Junctions	Place Development	2024+
South East Edinburgh (North) TCZ	Old Craighall	Junction upgrade Action and costs derived from East Lothian Council contributions framework.	£500,000	£612,500		Junctions		Delivered by Transport Scotland 2019
Gilmerton Junction TCZ	Gilmerton Junction (A720)	Junction upgrade identified in LDP. SESplan / Transport Scotland Cross-boundary appraisal completed (April 2017).	Not costed	Not costed		Junctions	Transport Scotland	
Burdiehouse Junction TCZ	Burdiehouse Junction (T20)	Upgrade of junction (Kaimes Junction).	£400,000	£490,000	Financial contributions secured through signed s.75 for HSG 21 Broomhills and HSG 22 Burdiehouse of £223,474 and £125,000 respectively.	Traffic Signals	Place Development	

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
Gilmerton Crossroads TCZ	Gilmerton Crossroads (T19)	Upgrade of junction with MOVA.	£400,000	£490,000	Financial contributions secured through signed s.75 for HSG 24 Gilmerton Station Road (£400,000) and HSG 25 The Drum (£130,000) for this action and the Gilmerton Station Rd.Drum Street TCZ - see entry below.	Traffic Signals	Place Development	2022 /23
Gilmerton Station Rd / Drum Street TCZ	Gilmerton Station Rd / Drum Street		£415,000	£508,375	See entry above.	Junctions	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
Lasswade Road / Lang Loan TCZ	Lasswade Road / Lang Loan Roundabout	Roundabout to signalised junction.	£0	£0	Signalised junction and connecting paths to be delivered as integral part of either adjacent development, secured by s.75 planning agreement.	Junctions	Place Development	Delivered 2019.
	Lasswade Road/Lang Loan pedestrian and cycle upgrades.	New 3.5m wide shared use cycleway/pedestrian path and signalised junction Lasswade Road from North of Lang Loan to Gilmerton Station.	£0	£0	Signalised junction and connecting paths to be delivered as integral part of either adjacent development, secured by s.75 planning agreement.	Active travel	Place Development	2019/20
Lasswade Road / Gilmerton Dykes Street / Captain's Road TCZ	Lasswade Road / Gilmerton Dykes Street / Captain's Road	Improvement to the operation of the Lasswade Road/Gilmerton Dykes Street/Captain's Road junction.	£400,000	£490,000	To be delivered by HSG 39 North of Lang Loan; contributions to be secured by other relevant sites.	Junctions	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
Sherriffhall Junction TCZ	Sherriffhall Junction (T13).	Grade separation of existing roundabout junction on city bypass. Should incorporate bus priority and active travel crossing of the bypass.	£0	£0	Funding identified as part of City Region Deal.		Transport Scotland/SESPlan	tbc
Straiton Junction TCZ	Straiton Junction	Junction upgrade. SESplan / Transport Scotland Cross-boundary appraisal completed (April 2017).	£0	£0			Transport Scotland / SESplan	not identified
Gillespie Crossroads TCZ	Gillespie Crossroads	Increase junction capacity based on increasing the efficiency of the traffic signals through installation of MOVA.	£410,000	£502,250	All development sites underway with financial contributions secured by signed s.75 for HSG 36 Curriehill Road (£78,000), HSG 37 Newmills (£164,835) and HSG 38 Ravelrig Road (£94,192).	Traffic Signals	Place Development	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
Hermiston Park & Ride TCZ	Hermiston Park & Ride	Extension to Hermiston Park & Ride.	£470,000	£575,750	All development sites underway with financial contributions secured by signed s.75 for HSG 36 Curriehill Road (£51,000), HSG 37 Newmills (£206,000) and HSG 38 Ravelrig Road (£120,000).		Place Development	
Queensferry TCZ	Dalmeny Station	Increased car parking at Dalmeny Station. Increased and improved cycle parking at Dalmeny Station is completed – see section 8 below. Consideration of this action will be part of the wider A90 corridor improvements.	£0	£0			Place Development	2025/26
Roseburn to Union Canal TCZ	Roseburn to Union Canal route/green network (T7)	Upgrade and extend the cycle/footpath and green network from Roseburn to the Union Canal including new bridges over Dalry Road and West and East Coast Mainline railways. To be delivered in phases.	£3,443,189	£4,217,907				2021/22

2c Site specific								
LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 1	Springfield HSG 1	Opportunity to create a link road from Bo'ness Road to Society Road should be investigated. Queensferry Transport Contribution Zone.	£0	£0		Active Travel	Place Development	2022/23

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost (44% OB for WETA, 22.5% otherwise)	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 4	West Newbridge	<p>Transport requirements to be established through cumulative transport appraisal and planning permission.</p> <p>Bus Service Contribution (Supply and install bus stops and shelters at new bus turning area in the development and carry out improvements to the stop on Bridge Road/A89).</p> <p>National Cycle Network Contribution (links from the development site to the National Cycle Network.)</p> <p>Newbridge Roundabout Upgrade Contribution (to MOVA)</p> <p>Public Transport Improvement Contributions.</p> <p>Tram Contribution (Pay all consultant design costs to investigate an appropriate realignment of Tram 2 in the vicinity of Newbridge roundabout where it is affected by the road widening).</p>	£1,019,000	£1,248,275			Place Development	

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 5	Hillwood HSG 5	Transport requirements to be established through cumulative transport appraisal and planning permission.	£0	£0			Place Development	
HSG 7	Edinburgh Zoo	Transport requirements to be established through cumulative transport appraisal and planning permission.					Place Development	
HSG 12	Lochend Butterfly HSG 12	<p>Permanent strengthening of the existing rail bridge on Easter Road at the junction of Easter Road and Albion Road and or in assisting with the provision of a new pedestrian bridge over the railway from the south development site and Moray Park Terrace in the event that the railway line is reinstated for use.</p> <p>Application seeks construction of the at-grade link to Moray Park Terrace.</p> <p>Contribution of for provision of 6 car club spaces. (£34,500)</p> <p>TRO. (£2,500)</p> <p>Rail crossing contribution.</p>	£306,250	£375,156	12/03574/FUL; 11/01708/FUL No contributions.	Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 19 MAYBURY 16/04738/PPP (West Craigs Ltd) PPA-230-2207 16/05681/PPP (Taylor Wimpey) PPA-230-2153 S.75s signed.	Bus route Craigs Road / Turnhouse Rd and upgrade bus Infrastructure on Turnhouse Rd		£400,000	£490,000	To be delivered as integral part of development secured through planning conditions.	Public Transport	Place Development	2023/24
	3 crossing facilities on Turnhouse Road and Craigs Road at Maybury.	Crossing facilities x 3 at first suitable point along Turnhouse Road, second on Turnhouse Road near Maybury; this can crossing as part of Craigs Road junction (CZ above).	£75,000	£91,875	To be delivered as integral part of development secured through planning conditions	Active Travel	Place Development	2023/24
	Incorporation of walking and cycling from the development site into the Maybury junction redesign		£103,500	£126,788	Proportion of financial contribution secured in Taylor Wimpey s.75.	Active Travel	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 19 contin.	Maybury - Edinburgh Gateway Station pedestrian / cycle route including bridge over railway and connections beyond. Central portion of HSG19	<p>Bridge and ramps, approx. 80m: (based on 20m span and 5m width).</p> <p>Route to bridge to be formed as part of new development layout and on land to south controlled by owner of central portion of HSG 19 Maybury.</p> <p>Cyclepaths to Gyle (600m) (and underpass of A8), A8 (300m) and to Gogar Link Road (500m). Route continues from completed underpass (led by Network Rail) via the shopping centre car park, to shared use footway by tram stop. Make underpass shared use. Determine whether it is possible to take away the row of parking around periphery (or change to parallel parking), to make room for segregated cycle lane. Cyclepath to Gogar Link Road -north of station. Land purchase needed.</p>	£992,000	£1,215,200	To be delivered as integral part of central portion of HSG 19 Maybury and secured through planning conditions, and financial contribution secured for cycle paths to Gyle.	Active Travel	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 19 contin.	Maybury - Edinburgh Gateway Station pedestrian / cycle route including bridge over railway. Eastern portion of HSG19	Route to be formed as part of new development layout. This routes forms part of the strategic green corridor from Edinburgh Gateway to Cammo and quality landscaping is required.	£0	£0	To be delivered as integral part of development of eastern portion of HSG19 and secured through planning conditions	Active Travel	Place Development	2023/24
	New footway cycleway along south side of Turnhouse Road	Paths (100m)	£0	£0	To be delivered as integral part of development secured through planning conditions	Active Travel	Place Development	2023/24
	Shared use cycleway along Turnhouse Road (1.5km) or on-road segregated cycleway		£450,000	£551,250	To be delivered as integral part of development secured through planning conditions	Active Travel	Place Development	2023/24
	TRO for lower speed limit along Turnhouse Road		£2,000	£2,450	Financial contribution required.	Roads Safety	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 20 CAMMO 18/01755/FUL s.75 signed.	Bus infrastructure on Maybury Road and peak period bus capacity improvements.	Upgrade bus infrastructure (replace existing bus stops).	£200,000	£245,000	Financial contribution secured through s.75.			2021/22
	Bus infrastructure on Maybury Road and peak period bus capacity improvements.	Time limited financial support for a bus operator to run services along Maybury Road.	£200,000	£245,000	Financial contribution secured through s.75.			2021/22
	Cammo Walk link (north)	Cycle path to tie into path to Cammo Estate on north of site (450m).	£94,500	£115,763	To be partly delivered as integral part of development secured by condition/s.75.	Active Travel	Place Development	2021/22
	TRO for lower speed limit along Turnhouse Road		£2,000	£2,450	Financial contribution secured through s.75.	Roads Safety	Place Development	2021/22
	Cammo to Maybury cycle path	Cycle path connecting Cammo to Maybury site and extending to Cammo Estate.	£300,000	£367,500	Financial contribution secured through s.75.	Active Travel	Place Development	2021/22
	Cammo to Maybury cycle path	Toucan crossings at Craigs Road junction.	£75,000	£91,875	Not funded through signed s.75.	Active Travel	Place Development	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 20 contin.	Cammo to Maybury cycle path	Bridge/decking over Boughtlin Burn connecting cycle path through site to Cammo Walk link (north) and Cammo to Maybury cycle path. Land purchase	£560,000	£686,000	Financial contribution of £560,000 secured through signed	Active Travel	Place Development	2021/22
	Pedestrian /cycle connections to East of site.	Pedestrian crossing facilities on Maybury Road: Toucan or D island crossings x 4 over Maybury Road from Cammo site.	£120,000	£147,000	To be delivered by applicant secured through conditions/s.75/RCC approvals	Active Travel	Place Development	2021/22
	Pedestrian /cycle connections to East of site.	4.5m wide shared use paths (150m) across existing open space to East Craigs estate. (Excludes land costs)	£305,000	£373,625	Financial contribution of £305,000 secured through signed s.75.	Active Travel	Place Development	2021/22
HSG 21 BROOMHILLS					14/04860/FUL Partly delivered/under construction.			
	Cycle path at Broomhills	Upgrade surface of the path (1,200m) to Morton Mains.	£150,000	£183,750	Not funded through signed s.75.	Active Travel	Place Development	2019/20
	Cycleway access to Frogston Road East	A new 4m wide toucan crossing at North access linking to existing footway on B701.	£0	£0	To be delivered as integral part of development; developer to deliver through RCC.	Active Travel	Place Development	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG21 contin.	Pedestrian/cycle way from Old Burdiehouse Road to Burdiehouse Burn (Broomhills Road)	Upgrade pedestrian crossings to 2x new two stage toucan crossings over A701. Short section of new path (10m) and path widening to 4m (30m). Widen existing path to 4m (70m) from Southhouse Broadway to bus stop at A701. New path (30m) to link from crossing to site (may require land preparation and acquisition).	£80,000	£98,000	Partly delivered as integral part of development; developer to deliver through RCC. New path is not funded through signed s.75.	Active Travel	Place Development	2019/20
	Secure pedestrian and cycle way access to Old Burdiehouse Rd linking to Broomhills Road		£0	£0	To be delivered as integral part of development; developer to deliver through RCC.	Active Travel	Place Development	2019/20
	Street Improvements to Burdiehouse Road		£1,300,000	£1,592,500	Not funded through signed s.75	Roads Safety	Place Development	2020/21
	Upgrade Bus Stops on Burdiehouse Road		£0	£0	To be delivered as integral part of development; developer to deliver through RCC.	Public Transport	Developer s.56	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 22 BURDIEHOUS E 10/01185/PPP 14/04880/FUL	Bus infrastructure improvements	Upgrade Bus Stops on Burdiehouse Rd and Frogston Rd East. Enhance Peak Capacity.	£500,000	£612,500	Not funded through signed s.75.	Public Transport	Place Development	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 22 contin.	Cycleway safeguard (A720 underpass - Burdiehouse Burn path link)	<p>Off-site multi user path connection to link the site with path networks in Midlothian via Straiton Pond. Forms part of strategic green network between Burdiehouse Burn Valley Park, Mortonhall, Morton Mains, Gilmerton and Straighton high quality landscape treatment required (4m wide landscape treatment to the west across open ground, including verge, hedgerow and hedgerow trees for approximately 200m) Land purchase required.</p> <p>Street improvements and pedestrian crossing on Burdiehouse Road.</p> <p>D island crossing on Lang Loan. Path surface upgrade (200m).</p> <p>Construct shared use footway beside Lang Loan road (200m), may require land purchase for footway.</p> <p>New path construction 3.5m to underpass of A720 (600m).</p>	£200,000	£245,000	Not funded through signed s.75.	Active Travel	Place Development	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost (44% OB for WETA, 22.5% otherwise)	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 22 contin.	New access point and shared use path	20m to link to existing path (Land ownership of Greenspace for 10m of path).	£50,000	£61,250	Not funded through signed s.75.	Active Travel	Place Development	2019/20
	Pedestrian cycleway access across site from Straiton path to	500m path at both the east and west edges of the site.	£125,000	£153,125	Not funded through signed s.75.	Active Travel	Place Development	2019/20
	Widen existing path along Burdiehouse Burn Park	Widen 300m to 3.5m running parallel to site's northern boundary and linking to western access point. Forms part of strategic green network between Pentlands and Portobello.	£100,000	£122,500	Not funded through signed s.75.	Active Travel	Place Development	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 23 Gilmerton Dykes Road					14/01446/FUL. Signed S75. Constructed.			
	Cycle path from Lasswade Road to HSG23/24	Cycle link 500m – Gilmerton Road to Lasswade Road.	£0	£0	Delivered as integral part of development.	Active Travel	Developer s.75	2019/20
	Enhance peak period bus capacity on Gilmerton Road		£200,000	£245,000	Not funded through signed s.75.	Public Transport	Place Development	2019/20
	New footway along Gilmerton Dykes Road	500m Footway.	£0	£0	Delivered as integral part of development.	Active Travel	Developer s.75	2019/20
	Upgrade bus stops on Lasswade Rd / Gilmerton Rd				£36,500 for public transport improvements secured in signed s.75.	Public Transport	Place Development	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 24 GILMERTON STATION ROAD					Planning permission granted - 14/01649/PPP 16/04382/AMC 16/03299/AMC 17/04164/AMC 7/9/17 Early phases under construction			
	Connection from South corner of site to railway path	Ramp up to the old railway path from Gilmerton Station Road site.	£50,000	£61,250	Not funded through signed s.75. Railway path being upgraded by Sustrans.	Active Travel	Place Development	2020/21
	D island crossing of Gilmerton Station Road and construct 50m of shared use footway from existing verge	D island = £25000 Path Widening.	£57,500	£70,438	Not funded through signed s.75.	Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 24 contin.	Drum Street Ped & Cycle crossing & path through site to multi-user path to Straiton	Toucan crossing and shared use footway. Part of first phase of development.	£0	£0	To be delivered as integral part of development. Phase 1 & 2 a foot/cycle path shall be provided to the NW boundary of the site to connect to Ravenscroft Place within 6 months of 50% occupation of units in Phase 1. Phases 5&6 footpath links to adjacent housing to south shall be completed before work commences.	Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 24 contin.	New footway along Gilmerton Station Rd	Footway and lighting on west side of Gilmerton Station Road from Gilmerton Road to Lasswade Road, extending 240m northwards from Lasswade Road/Gilmerton Station Road.	£112,400	£137,690	£122,400 secured in signed s.75.	Active Travel	Place Development	2020/21
	Pedestrian crossing facilities on Gilmerton Rd		£15,000	£18,825	£15,000 secured in signed s.75.	Active Travel	Place Development	2020/21
	TRO lower speed limit on Gilmerton Station Road	Lower speed limit on Gilmerton Station Road.	£1,500	£1,883	Financial contribution secured in signed s.75	Roads Safety	Place Development	2022/23
	Upgrade bus stops and peak capacity on Gilmerton Road	Upgrade of peak capacity not pursued	£9,290	£11,659	£9,290 secured in signed s.75	Public Transport	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 25 THE DRUM					Planning Permission Granted 14/01238/PPP 17/00696/AMC granted 31/8/17			
	Cycle link - Drum Street to SE Wedge Parkland	Path (1000m).	£250,000	£306,250	Not funded through signed s.75.	Active Travel	Place Development	2020/21
	Cycle link - Gilmerton Road to Lasswade Road	Path (1000m).	£250,000	£306,250	Not funded through signed s.75.	Active Travel	Sustrans	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 25 contin.	Cycle way access from Candlemakers Park to north of the Drum	New 3.5m shared use path (70m) from western boundary of The Drum site to Candlemaker's Park. May require land purchase.	£20,000	£24,500	s.75- Footpath links £15k before 50th unit occupied - pay drum link contribution from Drum through open space on Candlemaker Park. £5k prior to 1st unit occupied pay Candlemakers Park contribution link path from Candelemaker Park to Drum Avenue/Drum Park TRO - £4000	Active Travel	Place Development	2020/21
	Toucan crossing over Drum Street to access The Drum site	x2 Toucan crossing + shared path upgrade. May require land purchase.	£80,000	£98,000	Not funded through signed s.75.	Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 25 contin.	Upgrade bus stops and enhance peak capacity on Gilmerton Road		£300,000	£367,500	Not funded through signed s.75.	Public Transport	Place Development	2020/21
	Widen existing footway to 3.5m (shared use)	Path widening (750m).	£100,000	£122,500	Not funded through signed s.75.	Active Travel	Place Development	2020/21
HSG 26 NEWCRAIGHALL NORTH					Planning Permission Granted 13/03181/FUL			
	Pedestrian/Cycle Route connecting Newcraighall North to Newcraighall East		£0	£0	To be delivered by developer as integral part of development and secured through s.75	Active Travel	Developer s.75	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 27 NEWCRAIGHALL EAST					Planning Permission Granted 10/03506/PPP 15/04112/AMC 16/02696/FUL			
	Pedestrian/Cycle Route connecting Newcraighall North to Newcraighall East		£0	£0	To be delivered by developer secured through s.75	Active Travel	Developer s.75	2019/20
HSG 28 ELLEN'S GLEN ROAD					No permissions or s.75s yet issued.			2024+
	Bus infrastructure	Upgrade existing bus stops in Lasswade Road. Upgrade existing S/B bus stop and provide new N/B bus stop in Gilmerton Road.	£300,000	£367,500		Public Transport	Place Development	2024+
	Cycle Network	High quality pedestrian and cycle routes within site, to link with public transport routes, and to link from Malbet Wynd through the site to connect via Ellen's Glen Road to the Burdiehouse Burn Valley Park Core Path (1000m).	£250,000	£306,250		Active Travel	Place Development	2024+

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 28 contin.	New footway along east boundary frontage of site	Path (135m).	£30,000	£36,750		Active Travel	Place Development	2024+
	New pedestrian/cycle link on land near to Stenhouse Burn	To compensate for the narrow footway on Ellen's Glen Road (225m).	£50,000	£61,250		Active Travel	Place Development	2024+
	Widening and upgrade of existing footway along Ellen's Glen Road		£0	£0		Active Travel	Place Development	2024+
HSG 29 BRUNSTANE					16/04122/PPP MTG and MTG conditions; S.75 not yet signed.			2025/26
	Help provide improved pedestrian/cycle links and increased cycle parking at Brunstane and Newcraighall Stations	Cycle Parking.	£1,500	£1,838		Active Travel	Place Development	2025/26

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 29 contin.	Network of high quality pedestrian/cycle routes through site	To link with suitable exit points around site boundary, particularly with existing routes to Brunstane and Newcraighall railway stations. At least two pedestrian/cycle railway crossing points shall be provided within the site.	£300,000	£367,500	To be delivered as integral part of development secured through planning condition(s). Cycle / pedestrian rail bridge before 1st unit. Vehicle bridge before 250th unit. Cycle / pedestrian bridge south of and in addition to the above bridge before 665th unit.	Active Travel	Developer s.75	2025/26
	New junction with Milton Road East	Provide new junction with Milton Road East.	£0	£0	To be delivered as integral part of development layout secured by condition(s).	Junctions	Developer s.75	2027/28
	New junction with Newcraighall Road	Provide new junction with Newcraighall Road.	£0	£0	To be delivered as integral part of development layout secured by condition(s).	Junctions	Developer s.75	2027/28

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 29 contin.	Pedestrian/Cycle Route connecting Newcraighall North to Newcraighall East	Establish new green network connections to Newcraighall village, Newcraighall public park, Gilberstoun, The John Muir Way / Core Path 5 Innocent Railway, Queen Margaret University, Musselburgh and future developments in Midlothian.	£0	£0		Active Travel	Place Development	
	Provide upgrades of existing external pedestrian/cycle routes in vicinity of site, including signage	Help provide missing link across the Newcraighall railway line. Path widening/resurfacing (2000m).	£300,000	£367,500	Financial contribution required.	Active Travel	Place Development	2025/26
	Review existing pedestrian/cycle crossing facilities on Milton Road East and Newcraighall Road and help enhance	Crossing improvements x2.	£150,000	£183,750	Financial contribution required.	Active Travel	Developer s.75	2025/26
	Review operation of A1 / Newcraighall junction	Operation of junction not deemed necessary, following consideration of application.	£0	£0	N/a	Junctions	Place Development	2027/28
	Road Improvements	Review road safety and provide improvements, if necessary, to Milton Road East and, if appropriate, Newcraighall Road.	£0	£0	To be delivered as integral part of development layout secured by condition(s).	Roads Safety	Developer s.75	2027/28

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 29 contin.	Upgrade A1 / Milton Road East / Sir Harry Lauder Road junction	An action identified in developer's transport appraisal. Scale of action to be considered.	£0	£0	Expected portion of cost to be secured through s.75 agreement.	Junctions	Place Development	2027/28
	Upgrade existing bus stops on Milton Road East and Newcraighall Road	Essential to route bus services through site (consider section(s) of 'bus only' roads).	£1,500	£1,838	To be delivered as integral part of development secured through planning condition(s)	Public Transport	Developer s.75	2025/26
	Support additional bus capacity.	Opportunity to support commercial operation with increased frequency of direct city centre service and also to key local facilities, to achieve PT mode share.	not costed	not costed		Public Transport	Developer s.75	2025/26
	Contribute towards Old Craighall junction upgrade.		£23,000	£28,175	Financial contribution required.			2027/28

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 30 MOREDUNVALE ROAD					Site Allocated, Transport requirements to be established through cumulative transport appraisal and planning permission.			
	Direct Link to Moredunvale Road (T7)		£0	£0		Active Travel	Place Development	2022/23
HSG 31 CURRIEMUI REND					Site Allocated, Transport requirements to be established through cumulative transport appraisal and planning permission.			

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 BUILYEON ROAD					16/01797/PPP and 16/01798/PPP MTG; s.75 not yet signed.			
	Builyeon Road East/West Works Builyeon Road: New footway and cycle path along frontage of site	New footway and cycle path along frontage of site on south side of Builyeon Road (including footway widening, redetermination to shared use footway, development of footway to both sides of the road, bus priority measures, etc.) for a distance of approximately 975 metres.	£200,000	£245,000	Expected to be delivered as integral part of development and/or to be delivered by applicant secured through conditions/ s.75.	Active Travel	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	Builyeon Road East/West Works Builyeon Road: Street design and upgrade links	East-west: changing the character of Builyeon road (A904) and realignment through Echline Junction. Upgrade of existing external links to high quality pedestrian/cycle routes to Dalmeny Station, high school, Ferrymuir retail park and town centre.	£950,000	£1,163,750	Expected to be delivered as integral part of development and/or to be delivered by applicant secured through conditions/	Active Travel	Place Development	2024/25
	Bus Improvement Works Upgrade existing bus infrastructure	Additional capacity needed. (Opportunity – support commercial operation.) Increased frequency of direct city centre service and also to key local facilities, to achieve PT mode share. Upgrade of the currently existing facilities and provision of new high quality bus stops on Builyeon Road; Widening of Builyeon Road to accommodate bus priority measures; and Securing an increase in the frequency of direct city centre service and to key local facilities, to achieve public transport mode share.	£400,000	£490,000	Financial contribution required and/or to be delivered by applicant through conditions/s.75	Public Transport	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	Cycle and Path Routes Works Bridge link over A9000	<p>Bridge over the A900 in south-east corner of the site.</p> <p>Design feasibility study to be funded by the developers and commissioned by the Council assessing the provision of a bridge over the A9000 in south-east corner of the site to provide an off-road cycle route to link to Ferrymuir Gait and routes to the East and provision of a link to the National Cycle Network by means of a bridge to Ferrymuir, located west of the A9000.</p>	£3,000,000	£3,675,000	Financial contribution required and/or to be delivered by applicant through conditions/s.75	Active Travel	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	Cycle and Path Routes Works Network of high quality pedestrian/cycle routes through site	Develop high quality landscaped pedestrian/cycle route through site (1000m) to link with suitable exit points around site boundary, particularly with existing routes into South Queensferry. An addition to the green network (forming part of the strategic Dalmeny to Echline green network) leading from the A904 to a crossing point of the A9000 or such other works as may be agreed in writing with the Council acting as Roads Authority. Off-road cycle route to link HSG32 Builyeon Road, Ferrymuir Gait, HSG33 South Scotstoun with Dalmeny and National Cycle Network (300m).	£73,500	£90,038	Financial contribution required and/or to be delivered by applicant through conditions/s.75	Active Travel	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	Echline Junction & East Works Echline Junction: Pedestrian/Cycle routes through roundabout	Echline Junction (cycle/ped infrastructure both directions on roundabout). Integrate with new footway and cycle path along frontage of site. Provision of cycle and pedestrian infrastructure in both directions on Echline Junction including the provision of two new 2-stage Toucan crossings, two new single stage Toucan crossings and upgrading of the two existing crossings to Toucan crossings.	£246,000	£301,350	Financial contribution required and/or to be delivered by applicant through conditions/s.75	Active Travel	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	Echline Junction & East Works Help provide upgrades of existing external pedestrian/cycle routes to Dalmeny Station: reconfigure existing roads/junctions to accommodate high quality pedestrian/cycle routes and facilities.	<p>Ferrymuir Road pedestrian/cycle enhancements. Enhancements to Ferrymuir Road between Echline Junction to the west and the Ferrymuir junction to the south, a distance of some 400 metres, to provide 3 metre wide footways converted to shared use (potentially building out into one lane of the carriageway).</p> <p>Cut through to Ferrymuir/Lovers Lane from Ferrymuir Road (private carriageway, and route through non-adopted land – negotiate land acquisition).</p> <p>Resurfacing of Lovers Lane for distance of 1,600 metres, together with the necessary lighting. Provision of a Toucan crossing on Kirkliston Road (B907) at it junction with Ferrymuir Lane.</p> <p>Future conversion of Ferrymuir roundabout to signalised junction outwith these development contributions.</p>	£318,250	£389,856	Financial contribution required and/or to be delivered by applicant through conditions/s.75	Active Travel	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	Queensferry Crossing	Prospective developers should be aware transport Scotland may require assessment of impact on new FRC junction.	£0	£0		Junctions	Transport Scotland	2024+

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	Route to Town Centre Works Help provide upgrades of existing external pedestrian and cycling facilities from the development to the town centre in the vicinity of the development	2 X D island or toucan crossings over A904 to link site with existing paths in South Queensferry. (Echline View/Long Crook/ and at Echline Roundabout). Provision of either 2 'D' island or Toucan crossings across Builyeon Road to link the Development with existing paths in the Echline housing estate opposite the foot path at Long Crook and the footpath to Echline Avenue (passing the rear of the properties at Echline Park). Widening and better definition of existing footpaths between Echline Park and Echline View, and to Long Crook, to a width of 3.5 metres to form shared use paths. Tarmac resurface on off road adopted paths through Echline housing estate, to toucan at end of Bo'Ness Rd/Stewart Terrace. Consider linking to NCN76/NCN1 along Farquhar Terrace/Morrison Gardens.	£126,910	£155,465	Financial contribution required and/or to be delivered by applicant through conditions/s.75	Active Travel	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 32 contin.	TRO Builyeon Road	Implement and physical measures for reduced speed limit on Builyeon Road as part of opportunity to change the character of Builyeon Road (A904). Part of the existing alignment would be converted to access and cycle/pedestrian only. New alignment would be implemented as per 'Designing Streets' principles.	£1,500	£1,838	Financial contribution required and/or to be delivered by applicant through conditions/s.75	Active Travel	Place Development	2024/25
HSG 33 SOUTH SCOTSTOUN					16/06280/FUL; s.75 signed. Under construction.			
	Appropriate traffic calming measures may be considered for Scotstoun Avenue	Road Furniture Contribution.	£30,000	£36,750	Not funded by s.75	Active Travel	Place Development	2021/22
	B800 Cycle Link	Provision of a low level pedestrian/cycle link between the Agreement Subjects and the B800. Land agreements may be required.	£42,452	£52,004	Not funded by s.75	Active Travel	Place Development	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 33 contin	Bus infrastructure	<p>Upgrade existing bus stop facilities on Kirkliston Road, Scotstoun Avenue and in Dalmeny and additional capacity likely. Increased frequency of direct city centre service and also to key local facilities, to achieve Public Transport mode share. To support bus services serving the Site, where there would not otherwise be a commercial incentive to operate such a service.</p> <p>The upgrade of 4 bus stops on Scotstoun Avenue to provide the following facilities: the provision of new shelters and associated improvement works to surrounding public footway.</p>	£318,500	£390,163	£318,500 secured through s.75	Public Transport	Place Development	2021/22
	D island or single stage Toucan crossing of B800 to retail site path		£30,000	£36,750	To be delivered as integral part of the development secured by planning conditions/ s.75 agreement.	Active Travel	Developer s.75	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 33 contin.	Give due consideration to the opportunity to change the character of the B800 through street design.	<p>Reconfiguring the entrance junction, including raised junction and tightening of the radii.</p> <p>Shared path along the east side of the B800, approximately 400m.</p> <p>Two toucans continuing to the B907 to the junction with Lovers Lane/Scotstoun Avenue.</p> <p>Tighten and reconfigure the Scotstoun Avenue and B907 junction with removal of guardrail and decluttering and installation of toucan crossings in the southern and north-eastern arms of the Ferrymuir Roundabout.</p>	£454,000	£556,150	£556,150 secured through s.75	Active Travel	Place Development	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 33 contin.	High quality pedestrian/cycle routes through site	Linking to suitable exit points around site boundary, particularly to north-east corner to connect with existing route to station and Edinburgh and with South Scotstoun. Including new diverted 3.5m shared use path for NCN 1 into the Agilent site, or resurfacing where necessary (450m).	£40,000	£49,000	£70,000 secured through s.75 for this and action below.	Active Travel	Developer s.75	2021/22
	LED stud lighting	Provision of LED stud lighting eastwards for 1000m along NCR1; and provision of LED stud lighting northwards for 1000m on the old railway path to the north of the Agreement Subjects.	£30,000	£36,750		Active Travel	Place Development	2021/22
	Queensferry Crossing	Transport Scotland may require assessment of impact on new Forth Replacement Crossing junction.	£0	£0	Not requested in Transport Scotland consultee response	Active Travel	Transport Scotland	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 34 DALMENY					16/05995/FUL. S.75 issued.			
	Appropriate pedestrian and cycle access within site		£25,000	£30,625	To be delivered as integral part of development secured through planning	Active Travel	Place Development	2019/20
	Dalmeny Station	Increased car parking at Dalmeny Station. Increased and improved cycle parking at Dalmeny Station is completed	£4,288	£5,252	Not funded through s.75.	tbc	Place Development	2024+
	Pedestrian access to be provided from Main Street		£11,000	£13,475	To be delivered as integral part of development secured through planning	Active Travel	Place Development	2019/20
	Upgrade existing bus stops in Bankhead Road / Main Street		£20,000	£24,500	Not funded through s.75.	Public Transport	Place Development	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 36 CURRIEHILL ROAD					16/01515/FUL. S.75 signed. Construction completed.			
	Bus infrastructure external to site	Action identified as not being feasible due to footway constraints.	£0	£0	Not funded through signed s.75.	Public Transport	Place Development	2019/20
	Connections to be made to the Kirknewton Core Path to the west boundary of the site		£12,000	£14,700	Not funded through signed s.75.	Active Travel	Place Development	2019/20
	Improve high quality pedestrian/cycle link to Curriehill Station	Wheeling ramp over railway bridge. Upgrade of existing path to 3.5m shared use and signage to development and railway station.	£80,000	£98,000	£78,000 secured through s.75	Active Travel	Place Development	2019/20
	Provide additional cycle parking at Curriehill Station		£1,000	£1,225	£500 secured in s.75	Active Travel	Place Development	2019/20

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 36 contin.	Provide new footway along east boundary frontage (Curriehill Road) to link with existing footway network	Full action identified as not being feasible due to footway/road width constraints.	£0	£0	s.75: £4,000 for TRO and £2,500 for the extension of existing footway on west side of Curriehill Road	Active Travel	Place Development	2019/20
HSG 37 NEWMILLS, BALERNO					Underway 15/05100/FUL. S.75 signed.			
	Bus infrastructure	Provide new bus stop facilities on A70, and improve the pedestrian access between these and the proposed site. Crossing point required. Need for bus stop facilities to be confirmed in context of wider bus corridor work.	£0	£0	Secured by s.75 agreement	Public Transport	Developer s.75	Crossing point delivered.

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 37 contin.	Cycle access to Ravelrig Road	Newmills Road site to Ravelrig Road via old railway line: New 4m wide 1km long path along old railway line to Ravelrig Road (new off road NCN 75), includes tree clearance, ramp to road and crossing of burn.	£450,000	£551,250	Not funded through signed s.75.	Active Travel	Place Development	2020/21
	High quality pedestrian/cycle routes through site		£110,000	£134,750	To be delivered as integral part of development secured through planning conditions	Active Travel	Developer s.75	2020/21
	Improved pedestrian/cycle crossing facilities on A70	Layout to be determined, but to incorporate appropriate dropped kerb and tactile paving arrangements to current standards.	£60,000	£73,500	Partly secured through signed s.75 (one crossing secured).	Active Travel	Developer s.75	2020/21
	New footway along east frontage boundary, linking into Newmills Road footways		£55,000	£67,375	To be delivered as integral part of development secured through planning conditions	Active Travel	Developer s.75	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and	Type	Owner	Estimated delivery date
HSG 37 contin.	Provide additional cycle parking at Curriehill Station		£0	£0	£500 secured in s.75	Active Travel	Place Development	2020/21
	Provide extended car park at Curriehill Station		£0	£0	£28,340 financial contribution secured by signed s.75	Roads Safety	Place Development	2020/21
	Upgrade cycle routes between Newmills Road and Curriehill Station	Detailed route to be confirmed (cost is based on alternative route using NCN75, including toucan crossing of A70 and ramp to NCN75, alternative is to reopen tunnel mouth to link with NCN75).	£250,000	£306,250	Partly secured through s.75 agreement (one crossing secured) £61,340.	Active Travel	Place Development	2020/21
HSG 38 RAVELRIG ROAD					14/02806/PPP 16/05744/AMC; s.75 signed. Underway.			
	Bus infrastructure		£105,000	£128,625	Not funded through a signed s.75	Public Transport	Place Development	2020/21
	Improved pedestrian/cycle crossing facilities on A70 and Ravelrig Road		£1,500	£1,838	Not funded through signed s.75.	Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 38 Ravelrig Road contin.	New cycle path along Ravelrig Road	Provide high quality pedestrian/cycle routes through site to be secured by condition, connecting with and making improvements to adjacent walking and cycle routes e.g. NCN75 which is on-road along Ravelrig Road: New 3.5m shared use path along the northern boundary of the site, approximately 500m. New 4m	£300,000	£367,500	To be delivered as integral part of development secured through planning conditions.	Active Travel	Developer s.75	2020/21
	New footway along west side of Ravelrig Road linking into Ravelrig Road and A70 footways		£90,000	£110,250	To be delivered as integral part of development secured through planning	Active Travel	Place Development	2020/21
	Provide upgrade to cycle routes between site and Curriehill Station	Detailed route to be confirmed.	£420,000	£514,500	£55,040 secured for Curriehill Station improvements.	Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 39 NORTH OF LANG LOAN					14/05145/PPP signed s.75 17/02494/AMC			
	Bus infrastructure	Upgrade existing bus stop facilities on Lasswade Road, with appropriate active travel connections.	£10,000	£12,250	£10,000 secured through s.75	Public Transport	Place Development	2020/21
	Cycle path from Lasswade Road to HSG 23/24 above	Provide high quality pedestrian/cycle routes through the site, connecting with adjacent walking and cycle routes e.g. the Gilmerton to Roslin Quiet Route which runs adjacent to Lasswade Road, and neighbouring residential areas. Give cognisance to potential bus services to be routed via Burdiehouse 2 linking with The Murrays to the north, and the benefits of providing appropriate walking and cycling links.	£250,000	£306,250	To be delivered as integral part of development secured through s.75 and planning condition(s).	Active Travel	Developer s.75	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 39 contin.	New footway Lasswade Road	New footway/cycleway along east frontage boundary with Lasswade Road, and south frontage boundary with Lang Loan to provide potential in the future to connect with links to the west.	£320,000	£392,000	To be delivered as integral part of development secured through s.75 and planning condition(s).	Active Travel	Place Development	2020/21
	Provide new junction with Lang Loan.		£0	£0	To be delivered as integral part of development secured through s.75 and planning condition(s).	Active Travel	Place Development	2020/21
	Review road safety and provide improvements	e.g. speed limit reduction, if appropriate, to Lang Loan. Note speed limit on Lasswade Road reduced to 40mph as part of Gilmerton to Roslin QuietRoute scheme.	£0	£0	To be delivered as integral part of development secured through s.75 and planning condition(s).			Underway.

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 40 SOUTH EAST WEDGE - EDMONSTONE 14/01057/PPP granted.	Pedestrian/Cycle path connecting to the Wisp	<p>Integrate a network of footpaths, cycleways and open space to be part of the wider Green network.</p> <p>In particular: new pedestrian/cycle routes along the A7 and Wisp within the site and pedestrian/cycle route from A7/B701 junction to open space on the north east boundary.</p> <p>Connect Edmonstone with Danderhall: New toucan crossing across the Wisp from the eastern boundary of the site to connect into existing paths at Danderhall.</p>	£325,000	£398,125	<p>To be delivered as integral part of development (with exception of toucan crossing).secured through planning condition(s).s.75 -</p> <p>Prior to first unit occupied: 2m wide footway linking northern access road to Edmonstone Rd (60m).</p> <p>Cycle track linking development to Ferniehill Road. Toucan crossing: Not funded through signed s.75.</p>	Active Travel	Place Development	2024/25

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 40 cont.	Provide appropriate crossings of The Wisp	Providing linkages to neighbouring residential areas and bus stop on opposite side of the road. Also need to ensure cycle crossing at A7/B701 junction	£550,000	£673,750	Not funded by signed s.75.	Active Travel	Place Development	2024/25
	Speed limit restrictions on The Wisp		£0	£0	s.75 secured TRO £2k	Roads Safety	Place Development	2027/28
	Traffic signals at The Wisp / Old Dalkeith Road		£0	£0	To be delivered by applicant secured through signed	Traffic Signals	Place Development	2027/28
	Upgrade existing bus stop facilities	A7, Old Dalkeith Road (east of The Wisp/Old Dalkeith Road junction) or, preferably, provide additional facilities south of the site on the A7, Old Dalkeith Road, with due consideration given to active travel connections to/from them.	£0	£0	Not funded through signed s.75.	Public Transport	Place Development	2024/25
	Upgrade existing bus stop facilities on The Wisp in the vicinity of the site, with appropriate active travel connections to/from them		£115,000	£140,875	Not funded through signed s.75.	Public Transport	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
HSG 41 South East Wedge North - The Wisp					16/04373/FUL granted. Under construction.			
	Pedestrian/Cycle path connecting to Jack Kane Centre	Pathways and cycle routes both internally and connected to other proposed developments and bus facilities on The Wisp. In particular link to HuntersHall/Jack Kane Centre and the western boundary of the site connecting up into Hunter's Hall Public Park and down into the South East Wedge Parkland.	£320,000	£392,000	Not funded through signed s.75.	Active Travel	Place Development	2019/20
INTERNATIONAL BUSINESS GATEWAY (IBG)	Bus only access via Edinburgh Gateway Station, tram interchange	Potential relationship to West Edinburgh Transport Contribution Zone actions.	£0	£0	No permissions or s.75s yet issued.	Public Transport		
	New footpath / cycle path along A8 Glasgow Rd	Potential relationship to West Edinburgh Transport Contribution Zone actions.	£1,200,000	£1,470,000	No permissions or s.75s yet issued.	Active Travel	Place Development	
	Tram stop within Development	Potential relationship to West Edinburgh Transport Contribution Zone actions.	£0	£0	No permissions or s.75s yet issued.	Public Transport		
	Upgrade bus facilities along A8 Glasgow Road	Potential relationship to West Edinburgh Transport Contribution Zone actions.	£0	£0	see WETA actions	Public Transport		

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
DEL 4 EDINBURGH PARK/SOUTH GYLE					13/04966/PPP, 14/03098/AMC for part of site.		Place Development	
	Note – also required to contribute to Gogar roundabout.						Place Development	
	Adoptable roads to be brought up to standard		£0	£0	Expected to be delivered as integral part of development and/or to be secured through s.75	Roads Safety	Place Development	2020/21
	Bus infrastructure - provide new facilities on internal roads		£0	£0	Expected to be delivered as integral part of development and/or to be secured through s.75	Public Transport	Place Development	2020/21
	Edinburgh Park - Gogarburn pedestrian cycle link	Paths (1650m): 346500	£350,000	£428,750	Expected to be delivered as integral part of development and/or to be secured through s.75	Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
DEL 4 cont.	Internal CPZ, integrated parking/traffic management. Enhance cycle parking at Edinburgh Park Station		£0	£0	Expected to be delivered as integral part of development and/or to be secured through s.75	tbc		2023/24
	Potential to create a strategic pedestrian/cycle route linking Wester Hailes, Broomhouse and Sighthill to Edinburgh Gateway Station, as part of the wider West Edinburgh Active Travel Network (WEL)		£0	£0	Expected to be delivered as integral part of development and/or to be secured through s.75	Active Travel	Developer	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
EAST OF BURDIEHOUSE (urban area)					16/06036/PPP No permissions yet issued.		Place Development	
	Bus infrastructure	Bus infrastructure– contribute to the upgrading of existing facilities in the vicinity e.g. on Burdiehouse Road. Support the enhancement of bus capacity during peak periods. Support the introduction of a bus service to route through Burdiehouse 2, linking with The Murrays (constraint – existing service providers may be reluctant to alter current routes). Give cognisance to potential bus services to be routed via Burdiehouse 2 linking with The Murrays to the north, and the benefits of providing appropriate walking and cycling links.	£0	£0	Expected to be secured through s.75	Public Transport	Place Development	2022/23

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
East of Burdiehouse (urban area) contin.	Provide high quality pedestrian/cycle connections outwith the site	Link to West Edge Farm (228m). Link to Straiton Ponds (481m). Link to the Murrays (103m). Link to Burdiehouse Burn/Bus Stop (594m).	£295,260	£361,694	Expected to be delivered as integral part of development and/or to be secured through s.75	Active Travel	Place Development	2022/23
	Provide high quality pedestrian/cycle routes through the site	Connecting development and local conveniences with adjacent walking and cycle routes to the north, east and south e.g. the Gilmerton to Roslin Quiet Route which runs adjacent to Lasswade Road, and neighbouring residential areas. Continue active travel route on its boundary to connect with the North of Lang Loan route.	£0	£0	Expected to be delivered as integral part of development and/or to be secured through s.75	Active Travel	Place Development	2022/23

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
North East Locality	Bernard St/Salmander Street active travel and public realm project (to Seafield Place)	Whole Length: Segregated cycleway (1250m) 3m wide + 0.5 separation strip (pinch to 2m wide in some sections).Seafield PI to Constitution St: Continuous footways. 6x Zebra crossings (every 200m metres).Salamander St to Elbe St:Timber Bush to Shore: Shared use Street – widen footway, setted street, trees, seating. Shore/Bernard Junction: Widen footways, raised tables, seating and planters. Moderate Public realm improvements - seating, planters, build outs, change road materials, widen footway on south side by 1m. Constitution St to Timber Bush: Shared use Plaza - tighten junctions, new road surfacing materials, seating, planters, widen footways, new crossings.	£5,000,000	£6,125,000		Active Travel	Place Development	2026 /27
	Bernard Street / The Shore junction	Close The Shore to general traffic.	£108,945	£133,458		Roads Safety	Place Development	2021/22
	Bonnington Road / Great Junction Street	Junction improvement.	£200,000	£245,000		Junctions	Place Development	2023/24

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
North East Locality contin.	Bonnington Road / Pilrig Road	Junction improvement.	£257,248	£315,129		Junctions	Place Development	2022/23
	Couper Street - Citadel Place T7	Opportunity to create level active travel connection.	£0	£0		Active Travel	Place Development	Safeguard
	Craigentiny - Leith Links Cycle Link T7	Leith to Portobello Two parts: Craigentiny – Leith Links, and Craigentiny – Leith Links cycle link.	£0	£0		Active Travel	Place Development	Safeguard
	Easter Road / Lochend Road junction	Junction improvement.	£601,344	£736,646		Junctions	Place Development	2021/22
	Ferry Road / Craighall Road	Traffic signals.	£307,011	£376,088		Junctions	Place Development	2022/23
	Ferry Road / North Junction Street	Junction improvement.	£300,714	£368,375		Junctions	Place Development	2021/22
	Hawthornvale off-road cycle path to Lindsay Road and into Western Harbour	Upgrade existing route. Junction improvement associated with tram scheme.	£250,000	£306,250		Active Travel	Place Development	2022/23
	Henderson Street / Great Junction Street junction	Close Henderson Street to general traffic.	£171,311	£209,856		Roads Safety	Place Development	2020/21
	Henderson Street; The Shore; Commercial Street	Bus priority route improvements. Bus lanes, advanced bus signals.	£438,002	£536,552		Public Transport	Place Development	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
North East Locality contin.	Jane St/Tenant St connections	Land purchase 120m2. New 4m path -120m length. Wall demolition – 10m. Lighting along 175m stretch = 6 columns. Opportunity to connect with other safeguarded routes.	£50,000	£61,250		Active Travel	Place Development	2020/21
	Kirkgate/Sandport Place/Dock Place and Dock Street (revised route)	Public realm project. Upgrade route, new controlled crossing points, cycle parking.	£500,000	£612,500		Active Travel	Place Development	2026 /27
	Leith and City Centre (East)	Create new continuous route between Henderson Street / Pirie Road / Pilrig Park / Balfour Street / Cambridge Avenue / Dryden Street / Hopetoun Street / Green Street / Bellevue Place / Broughton Street (Include northern section only).	£750,000	£918,750		Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
North East Locality contin.	Leith Links - widen existing paths and provide controlled crossings	<p>Shared use footway (segregated) alongside Links PI, Toucan crossing of John's PI & tighten junction.</p> <p>Relay sets on Queen Charlotte St.</p> <p>Shared use footway (segregated) alongside John's PI, Duncan PI, St Andrew PI, Academy St. Segregated cycleway along Duke St to foot of Leith Walk.</p> <p>Duncan PI to roundabout at north end of Easter Rd.</p> <p>Link (widen paths) from east side Leith links to roundabout at northern end of Easter Rd. (includes Toucan crossing Links Gdns).</p> <p>Make roundabout at north end of Easter Road cycle/ped friendly – tighten, toucan crossings.</p> <p>Bike parking at park entrances.</p>	£1,300,000	£1,592,500		Active Travel	Tram York Place to Newhaven	2021/22

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
North East Locality contin.	Leith Links (west) to Bath Road	Widen east-side footway for segregated footway/cycleway on Salamander Place & Bath Rd.	£300,000	£367,500		Active Travel	Place Development	2020/21
	Lindsay Road / Commercial Street	Junction improvement.	£479,365	£587,222		Junctions	Place Development	2021/22
	Lochend Route Link to Leith Docks	New ramp from railway path (following desire line of old railway line) to Seafield Street. Widen footways on Seafield Road and make cycle/pedestrian crossing of railway to Marine	£400,000	£490,000		Active Travel	Place Development	2021/22
	Ocean Drive eastward extension T16	New street connecting Ocean Drive to Salamander Street, as shown on Proposals Map. Scope to create new development plots as part of delivery project.	£10,350,000	£12,678,750			tbc	
	Salamander Cycle Link T7	Southern section of the Edinburgh Waterfront T7 safeguard.	£0	£0		Active Travel	Place Development	Safeguard
	Salamander St to Foot of the Walk (and beyond)	Elbe Street - relay cobbles with smooth/cycle friendly cobbles.	£360,000	£441,000		Active Travel	Place Development	2026 /27

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
North East Locality contin.	Seafield Place Upgrade facilities at existing junction	Move crossings closer to junction corners and toucanise. Tighten junction, widen footways (shared use), add bike parking. Widen footway from links path to Seafield Rd, redetermine to shared use.	£150,000	£183,750		Active Travel	Place Development	2020/21
	Seafield Road / Seafield Street	Segregated cycleway, Restalrig Path to Seafield Road, including a toucan crossing.	£100,000	£122,500		Active Travel	Place Development	Completed.
	Seafield/Lochend cycle route (Easter Road to Leith Walk)	Toucan crossing of Easter Road. Widen Easter Road footway by 1m from Thormtreesdie to Gordon St. Resurface Gordon St including relaying cobbles with smooth/even cycle friendly cobbles.	£450,000	£551,250		Active Travel	Place Development	2022/23
	The Water of Leith, between Warriston and Comercial Street	Widen path and new ramps. Upgrade existing off-street route.	£520,000	£637,000		Active Travel	Place Development	2020/21
	West end of Victoria Quay building to Water of Leith Path via Citadel	Potential new route.	£250,000	£306,250		Active Travel	Place Development	2020/21

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and status	Type	Owner	Estimated delivery date
North West Locality	Complete link next to school site at Granton	120m of shared use footway at 4m wide. 140m of footway widening to achieve 4m width.	£50,000	£61,250		Active Travel		
	Crewe Toll Roundabout	Junction improvement.	£6,950,000	£8,513,750		Junctions	Place Development	2020/21
	Ferry Road/Granton Road	Junction improvement.	£41,678	£51,056		Junctions	Place Development	2020/21
	Ferry Road/Inverleith Row Junction	Minor junction improvement. SVD equipment.	£2,723	£3,336		Traffic Signals	Place Development	2022/23
	Forth Quarter Park to Promenade	Widen footway along West Shore Road for shared 'segregated' shared use footway – widen by 2m for 130m.	£75,000	£91,875		Active Travel	Place Development	
	Granton - north south route through National Galleries development to the Shore	Path A: 3.5m wide tarmac path (40m length): £10,000/ Lighting Path A: £2000. Path B: 3.5m wide tarmac path (120m length): £30,000 /Lighting Path B: £8000.	£75,000	£91,875		Active Travel		
	Lower Granton Square public realm	Path Granton Crescent Park – path widen and new ramp.	£2,300,000	£2,817,500		Active Travel		

LDP SITE OR TCZ	Action	Further Details	Baseline Construction Cost	Total Base Capital Cost	Planning and legal agreements references and	Type	Owner	Estimated delivery date
North West Locality contin.	Muirhouse Parkway / Pennywell Road Roundabout	Replace roundabout with signals, to aid pedestrians and cyclists.	£575,000	£704,375		Active Travel	Place Development	2023/24
	Promenade link to Granton Harbour	Upgrade path to 6m tarmac path and sea wall in 4 sections. Extend coastal path from completed section to SW corner of Granton Harbour – no timescale for delivery. 3 phases of shared use cycle/pedestrian path along northern side of W Harbour Road with associated traffic calming W Harbour Road. Phases proceed east to west.	£800,000	£980,000		Active Travel	Place Development	2020/21
	Waterfront Avenue to Granton Rail path T7	LDP safeguard	£0	£0		Active Travel	Place Development	
	West Granton Road	Segregated Cycleway (2 way), new toucan/puffin crossings.	£1,200,000	£1,470,000		Active Travel	Place Development	
	West Granton Road/Crewe Road North	Traffic signals.	£158,952	£194,716		Active Travel	Place Development	2022/23

3. Greenspace Actions

LDP Ref	Greenspace Action	Further details	Estimated Cost	Funding	Owner	Delivery timescale	Status
GS1, CC3	Dalry Community Park	Enhance and extend existing 1.1ha local park. Associated with Fountainbridge redevelopment where open space provision cannot be met onsite. Improve and extend multi-functional park space including hard landscaping, new layout and new equipment to children's play area, replacement of existing sport pitch with MUGA pitch, street furniture and improved access points from Dalry Road, the supermarket car park and Telfer Subway. Linked to Roseburn to Union Canal Cycleway development (see transport action). Park currently maintained by council. Maintenance of improved aspects and any extensions may need to be developer funded and negotiated with council.	£726,000 for park improvements. Financial contributions to be required from developers of applicable sites. (Linked to Roseburn to Union Canal Cycleway action as part of total costs: £5,357,125)	Fountainbridge Developers, CEC Active Travel/ Transport Scope to introduce contribution zone for relevant developments when opportunity arises.	Fountainbridge Developers, CEC Active Travel/ Transport	2019 onwards/ With development	Some minor works completed in relation to previous deficiencies. Delivery plan to be prepared. The Roseburn - Union Canal project including Dalry Park has been approved for consultation but does not yet have full planning consent.
GS2, EW1a	Leith Western Harbour Central Park LDP ref. Greenspace GS2, Western Harbour EW1a	New 5.2ha public parkland. To include formal and informal recreation facilities and community spaces. To be developed as part of Western Harbour site in accordance with development LDP principles. Park would be maintained by Western Harbour developers. Public land status to be secured.	n/a – to be secured through planning application(s) and conditions(s)	To be delivered as integral part of development/ secured through planning condition(s).	Western Harbour Developers	With development	Wider development in progress to south of site. No permissions or s.75s issued for park.
GS3, EW1c	Leith Links Seaward Extension	Linear extension to Leith Links providing new allotments and open space alongside links to wider path network. Approximately 0.8ha including small park and allotments. Associated with housing-led redevelopment of Salamander Place. Allotments to be transferred to CEC on completion. Openspace to be maintained by developers. Public land status to be secured.	n/a – to be secured through planning application and conditions(s)	To be delivered as integral part of development/ secured through planning condition(s).	Salamander Place site Developers	Planning Permission in Principle approved for site including open space. Development phased with park and path links expected in later phases	
GS4	South East Wedge Parkland (Little France Park)	Creation of new public park of approximately 45ha to provide multi-functional parkland, woodland, country paths and active travel links including long distance cross boundary links. Links include residential and commercial developments at Craigmillar, Greendykes and the BioQuarter and development in Midlothian. Three main phases to development. To be delivered in accordance with supplementary guidance and delivery plan. Part of wider green network with links to Niddrie Burn Parkland (GS4) and transport actions.	£2.25 million – to be delivered in partnership.	Funding bids in progress (Sustrans, SNH, Forestry Commission and other partners) Scope to introduce contribution zone for relevant developments when opportunity arises.	Parks and Greenspaces, Little France Park Steering Group, Edinburgh and Lothians Greenspace Trust	Phase 3 expected 2019 onwards.	Little France Park officially opened in 2019. Minute of Agreement completed with Fields in Trust. Phases 1 and 2 green active travel route completed. 3ha native woodland, signage, seating and bike hire scheme docking station for Phase 2 also complete. Species survey completed as part of Community Bioblitz Management plan drafted Phase 3 works underway and due to be completed summer

LDP Ref	Greenspace Action	Further details	Estimated Cost	Funding	Owner	Delivery timescale	Status
GS5	Niddrie Burn	Re-alignment and restoration of 1800 linear meters of burn, landscaping, habitat creation, footpath along burn edge and bridge construction.	£1m – to be delivered in partnership	CEC and developer partners (not all funding in place)	Parks and Greenspaces, Little France Park Steering Group, Edinburgh and Lothians Greenspace Trust, Lothians and Fife Green Network Partnership	Works underway	Phase 1 Niddrie burn restoration is completed except footpath following the burn. Phase 2 the bridge is completed. The path / cycleway currently follows some of the burn then a link is provided through the housing scheme. Currently working to create a link on one side of the burn. Delivery plan to be prepared. Development agreement between CEC, Sheraton and
GS5, Emp 6	IBG Open Space	24ha parkland forming part of International Business Gateway development. Includes A8 corridor, central parkland to meet large greenspace standard, playspace and archaeology park.	n/a – to be secured through planning application and	To be delivered as integral part of development/ secured through	IBG Developers	Not started	Planning in principle for development submitted in 2015 (not yet determined).
GS7	Gogar Burn	Diversion of Gogar Burn to reduce flood risk, improve water quality and enhance biodiversity. Cost estimated at £22m. Maintenance / Access requirement unknown.	n/a – to be delivered in partnership	Developers, SEPA, SNH, CEC	Developers, CEC Planning, SEPA, SNH	Long term opportunity	Long term opportunity
GS8	Inverleith Depot	Current depot site to be developed as greenspace should it no longer be required in the future.	Unknown - To be costed in line with any future proposals	CEC	CEC	Long term opportunity	Long term opportunity. Depots gateway review (Dec. 2018) identifies potential for change.
GS9, HSG 21	Broomhills Park	3.1ha of public parkland and 3.8ha of radiating green links and informal greenspace. Retention of existing knoll and creation of play areas, paths, art and woodland planting. Associated with development of 633 unit housing site. Maintenance / Access - Broomhills developer. Public access to be secured.	n/a - To be delivered as integral part of development	To be delivered as integral part of development	Broomhills developer	Under development.	Site under development
GS10, HSG 31	Clovenstone Drive and Curriemuirend	Two connected development sites. New 4ha greenspace to be developed at Clovenstone Drive including playspace and football pitch. The greenspace will replace existing openspace at Curriemuirend. Maintenance / Access - CEC, Curriemuirend Developer Curriemuirend to be developed for housing with provision for allotments and improvements to woodland edge. Active travel routes to connect through both sites.	Cost estimated as £400,000 Clovenstone Drive, £100,000 Curriemuirend	CEC, Curriemuirend Developer	CEC, Curriemuirend Developer	With development	Not started Delivery plan to be prepared
GS11, HSG 37	Newmills Park	3.1ha linear public park. To include amenity lawn, connected multi-user paths, playspace, SUDs, wildflower and woodland planting and tree belt to form new green belt boundary. Access / Maintenance - Newmills Road Developers. Public access to be secured.	n/a - To be delivered as integral part of development	To be delivered as integral part of development	Newmills Road Developers	With development	Under construction.

4. Healthcare and Community Facilities Actions

LDP Contribution Zone	Healthcare Action	Detailed Action	Estimated Cost	Delivered by/funding	Timescale	Status
Granton Waterfront	New medical practices	New Practice to mitigate impact of new residential development in Granton Waterfront. Co-located with new waterfront primary school.	£4.5m	Developers	Mid 2020s	Strategic Assessment completed
Leith Waterfront	New medical practices	New Practice to mitigate impact of new residential development in Leith Waterfront.	£4.5m	Developers	Mid 2020s	Strategic Assessment completed
West Edinburgh	New medical practices	New Practice to mitigate impact of new residential development in West Edinburgh (Maybury, South Gyle, Edinburgh Park, IBG) Co-located with new Maybury Primary School.	£4m	Developers	Mid 2020s	Initial Agreement in Development
Gilmerton	New medical practices	New Practice to mitigate impact of new residential development in South East Edinburgh (HSG 21-40). Location to be confirmed.	£3m (£8m for combined practice; £3m for LDP/HLA sites)	Developers	Early 2020s	Initial Agreement in Development
NWEPC	New medical practices	New Practice to mitigate impact of development at Pennywell, Muirhouse, City Park, Telford Nth + Granton waterfront (early)	£12.1m for Partnership Centre Sunk cost	NHSL	Complete	Opened December 2017
Bruntstane	Expansion	Agreement with four local practices to accommodate additional growth – 2 practices will require small schemes to increase capacity	£0.1m	Developers	2018	Completed March 2018
Pargrove	Expansion	Expansion to medical practice to mitigate impact of HSG 20 Cammo.	£0.1m	Developers	2020	Exploring Options
Pentlands	Expansion	Expansion to medical practice to mitigate impact of development in South West Edinburgh	£0.5m	Developers	tbc	Exploring Options
Ratho	Expansion	Re- provision to medical practice to mitigate impact of development in Ratho	£1.2m sunk cost	EHSCP/Developer	complete	Opened April 2018
Niddrie	Expansion	Expansion to medical practice to mitigate the impact of new residential development in Craigmillar.	£4.5m	EHSCP/Developer	tbc	Exploring Options
Letih Links	Expansion	Re-provision of medical services to mitigate impact of HSG 12 Lochend Butterfly	£4.5m (££0.9m - 20% for LDP/HLA sites)	EHSCP/Developer	tbc	Exploring Options
Polwarth	Expansion	Expansion to medical practice to mitigate impact of CC3 Fountainbridge	£0.170m	EHSCP/Developer	2018	Opened February 2018
Meadows	Expansion	Expansion to medical practice to mitigate impact of CC3 Quartermile	£3m (£0.51m - 17% for LDP/HLA sites)	EHSCP/Developer	Mid 2020a	Exploring Options
Brunton	Expansion	Re-provision of medical services to mitigate impact of Meadowbank	£4.5m (£0.9m- 20% for LDP/HLA sites)	EHSCP/Developer	Early 2020s	Business case in development
Allermuir	Expansion	Expansion to medical practice to mitigate Craighouse	£7.3m (Sunk Cost)	NHSL Bundle	Complete	Opened October 2017
South Queensferry	Expansion	Expansion to medical practice to mitigate impact of development in Queensferry	£0.3m (Sunk Cost)	NHSL	2014 - 24	Completed 2018

5. Utilities

LDP Contribution Zone	Utilities Action	Further details	Estimated Cost	Funding	Owner	Delivery date	Status
	SGN (gas network provider): Reinforce local and 2bar Medium Pressure system in South East Edinburgh	Planned development in SE Edinburgh and North Midlothian are likely to require significant reinforcement of the Local Medium pressure system and the upstream 2 bar Medium Pressure system. Reinforcement solutions typically require new pipeline and may require above ground apparatus requiring land purchase.	Unknown	SGN	SGN	SGN currently in the process of developing a network strategy for Edinburgh. Initial phases of reinforcement unlikely before 2021/22.	Project timing and costing responsibility of SGN
	SGN: Reinforce Edinburgh - Borders Local Transmission System	Developments in East Lothian and wider Midlothian will impact on Edinburgh - Borders local transmission system which will require reinforcement. LTS reinforcement projects may involve lead in times spanning several years.	Unknown	SGN	SGN	SGN currently in the process of developing a network strategy for Edinburgh. Funding for major works will be sought post 2021	Project timing and costing responsibility of SGN
	SGN: Localised specific reinforcements	Localised specific reinforcements may be required for each development dependent on the final point of connection to SGN's network	Unknown	There is a cost-separation calculation for each reinforcement specifically driven by a developer's connection request. In many cases this results in SGN funded reinforcement, but there may be a customer contribution towards these costs.	SGN	Dependent on developer request	Project timing and costing responsibility of SGN
RS 6	Scottish Water	No infrastructure actions identified for this Action Programme. CEC to continue to provide monitoring development monitoring and programming information to inform infrastructure providers' strategic planning.	n/a	n/a	n/a		Scottish Water are currently finalising a strategic modelling exercise on both the water and wastewater networks to look at the potential impact and sustainable solutions

6. City Centre and Town Centres Actions

LDP Ref	Town Centre Action	Further details	Estimated Cost	Funding	Owner	Delivery timescale	Status
Ret1 & Ret3	Edinburgh City Centre Transformation	Strategy to prioritise sustainable and active travel in the city and improve the public realm.	Phase 1 – projects in varying stages of funding and development. Phase 2 - development of projects to be delivered in phase 3 Phase 3 – est. cost of £310.6m of capital and	£1.52m Sustrans Places for Everyone Unfunded	Place Management & Development, Culture, Locality Services, Strategy and Insight, Communications.	Strategy and Delivery Plan approved Sept 2019	Strategy sets public realm priorities for City Centre to feature in Council's revised Public Realm Strategy.
Ret1 & Ret3	Stockbridge Town Centre Progress	Stockbridge Town Centre Project to improve walking and cycling Develop proposals Implement trials	£75,000 for implementation	Development of proposals funded. Funding required for implementation of trials	NW Locality	Proposals -Spring 2018. Implementation to be determined.	Public Life Street Assessment completed Draft proposals developed Consultation underway
Ret1 & Ret3	Corstorphine Town Centre	Prepare prioritised public realm plan to deliver improved quality of place and movement, including relevant findings from placemaking exercises as identified in Draft NW LIP.	To be determined	To be determined	NW Locality	To be determined	Place Standard Exercise completed. Public Life Street Assessment completed
Ret1 & Ret3	Leith/Leith Walk Town Centre	Prepare prioritised public realm plan to deliver improved quality of place and movement to include relevant place actions and small area priorities identified in the Draft NE LIP.	To be determined	To be determined	NE Locality	To be determined	Public Life Street Assessment completed
Ret1 & Ret3	Portobello Town Centre	Prepare prioritised public realm plan to deliver improved quality of place and movement including relevant place actions identified in the Draft NE LIP.	To be determined	To be determined	NE Locality	To be determined	Public Life Street Assessment completed
Ret1 & Ret3	Gorgie/Dalry Town Centre	Prepare prioritised public realm plan to deliver improved quality of place and movement as identified in	To be determined	To be determined	SW Locality	To be determined	Public Life Street Assessment completed

	SP Energy Networks	No infrastructure actions identified for this Action Programme. CEC to continue to provide monitoring development monitoring and programming information to inform infrastructure providers' strategic planning	n/a	n/a	n/a		
	BT OpenReach	No infrastructure actions identified for this Action Programme. CEC to continue to provide monitoring development monitoring and programming information to inform infrastructure providers' strategic planning	n/a	n/a	n/a		

7. LDP Policies and Supplementary Guidance

LDP Ref	Action	Owner	Delivery
Del 1 and Hou 1	Maintain and update supplementary guidance - Developer Contributions and Infrastructure Delivery Potentially undertake direct intervention on specific housing site to accelerate delivery of housing completions, as informed by HLADP.	Place Development	SG in finalised form. Awaiting decision from Scottish Ministers.
Del 2, 3, 4	Implement through LDP and planning consents	Place Development	
Des 1 - 5, and 7 - 13 Hou 2 -9 Des 6 and RS 1	Maintain and update non-statutory planning guidance: •Edinburgh Design Guidance •Guidance for Householders •Guidance for Businesses •Student Housing •Maintain and update Sustainability Form (S1) in line with current Scottish Building Standards and other relevant policy and legislation.	Place Development	Guidance kept under review.
Env 1 – 9	Maintain and update non-statutory planning guidance: •Listed Buildings and Conservation Areas	Place Development	Guidance kept under review.
Env 10 – 22	Maintain and update non-statutory guidance: •Countryside and Green Belt development	Place Development	Guidance kept under review.
Emp 1	Implement through LDP and planning consents	Place Development	
Emp 2	Maintain and update supplementary guidance: •Edinburgh BioQuarter and SEW Parkland	Place Development	Preparation of SG underway.
Emp 3 – 10	Implement through LDP and planning consents	Place Development	
Ret 1, 2,3	Maintain and update supplementary guidance for 9 town centres	Place Development	SG adopted in 2017 and City Centre Retail Core reviewed in Jan 2020.
Ret 4 – 11	Implement through LDP and planning consents	Place Development	
Tra 1 – 12	Maintain and update non-statutory planning guidance: •Street design guidance •Parking Standards	Place Development	Guidance kept under review.
RS 2– 7	Implement through LDP	Place Development	

8. Completed Actions

EDUCATION ACTIONS	STATUS
2 RC Primary School classes (St Margaret's RC PS)	Completed in 2018, front funded by the Council, contributions to continue to be collected retrospectively until relevant cost recovered.
TRANSPORT ACTIONS	STATUS
Greendykes Link	Delivered as part of New Greendykes
By Seafield Place Replace stepped ramp	Complete
Forester High Cycle Link (T7)	Achieved through South Gyle Wynd HSG 6
Link to Ferry Road Path (T7)	Achieved through Telford College HSG 8
Agilent HSG 2	Transport requirements established through planning permission. Underway
North Kirkliston HSG 3	Transport requirements established through planning permission. Underway
City Park HSG 9	Transport requirements established through planning permission. Underway
Fairmilehead WTW HSG 10	Transport requirements established through planning permission. Underway
Shrub Place HSG 11	Transport requirements established through planning permission. Underway
Eastern General Hospital HSG 13	Planning permission granted. Includes Upgrading of the existing signal controlled junction at Seafield Street / Seafield Road - £110,000. Complete.
Niddrie Mains HSG 14	14/03416/PPPLEGAL AGREEMENT PAYMENT CONTRIBUTIONS Craigmillar Castle Avenue Contributions - £71,517 - contribution towards the upgrade of traffic signals at the junction of Craigmillar Castle Avenue and Niddrie Mains Road The Greendykes Road Foodstore Contribution - £70,245 - towards road infrastructure improvements at the junction of Greendykes Road and Niddrie Mains Road The Greendykes Road Housing Contribution 1 - £15,000 - towards road infrastructure improvements at the junction of Greendykes Road and Niddrie Mains Road The Greendykes Road Housing Contribution 2 - £26,500 - towards road infrastructure improvements at the junction of Greendykes Road and Niddrie Mains Road Niddrie Mains Road Bus Priority Contribution - £35,758 - towards the provision of bus priority measures on Niddrie Mains Road 16/03444/AMC £2k for TRO 15/05352/AMC £2k + £2k for TROs
Greendykes Road HSG 15	15/03821/FUL - £73,500 towards transport infrastructure identified in the Craigmillar / Greendykes area in the Edinburgh Local Development Plan Second Proposed Action Programme b. £2,000 TRO; c. £2,000 TRO; d. £2,000 TRO; £2k TRO
Thistle Foundation HSG 16	Transport requirements established through planning permission. Underway
Greendykes HSG 17	05/01358/OUT - Masterplan LEGAL AGREEMENT: Transport Contribution - £500 - towards road infrastructure in the Greendykes/ Craigmillar area in respect of each relevant 16/04427/AMC: £2k for any TRO required.
New Greendykes HSG 18	Transport requirements established through planning permission. Underway
Riccarton Mains Road HSG 35	S.75 Planning permission granted 15/00698/FUL COMPLETED £35,258 Gillespie Crossroads (due on commencement date); £17k Hermiston Park & Ride (5 working days from Verge redetermination - verge to footway on Riccarton Mains Road. TRO and movement of 40mph speed limit zone on Riccarton Mains Road
Queensferry Contribution Zone	Increased and improved cycle parking at Dalmeny Station has been delivered.
Lasswade Road / Lang Loan Roundabout	Roundabout to signalised junction now delivered by developer.
Seafield Road / Seafield Street	Segregated cycleway, Restalrig Path to Seafield Road, including toucan crossing delivered.
Bonnington Road / Pilrig Street junction	Junction improvement delivered.
GREENSPACE ACTIONS	STATUS
South East Wedge Parkland (Little France Park)	Phases 1 and 2 complete.
HEALTHCARE ACTIONS	STATUS
Brunstane	Completed in 2018, front funded by NHS Lothian, contributions to continue to be collected retrospectively until relevant cost recovered.
Ratho	Completed in 2018, no further contributions to be sought.
Polwarth	Completed in 2018, front funded by NHS Lothian, contributions to continue to be collected retrospectively until relevant cost recovered.
South Queensferry	Completed in 2018, front funded by NHS Lothian, contributions to continue to be collected retrospectively until relevant cost recovered.
UTILITIES ACTIONS	STATUS
	None completed.
TOWN CENTRES ACTIONS	STATUS
	None completed.
POLICIES ACTIONS	STATUS
Heat Mapping Supplementary Guidance	Supplementary guidance on heat networks - adopted 2018.
Town Centre supplementary guidance	Supplementary guidance adopted 2017 and reviewed 2020.

online - www.edinburgh.gov.uk/localdevelopmentplan

email - localdevelopmentplan@edinburgh.gov.uk

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Edinburgh Living LLPs: Acquisition of Homes 2020/21

Executive/routine	
Wards	All
Council Commitments	1, 6, 10

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Agrees the transfer of 173 homes constructed as part the Council's housebuilding programme, from the Housing Revenue Account (HRA), to Edinburgh Living mid-market rent and market rent LLPs in 2020/21.
 - 1.1.2 Notes the requirement for the Council:
 - 1.1.2.1 to lend to the mid-market rent and market rent LLPs to enable them to purchase the 173 homes;
 - 1.1.2.2 to revise the lending by up to £2m for homes already approved for purchase by the LLPs and;
 - 1.1.2.3 to provide corresponding capital advances from the Loans Fund based on a repayment profile using the funding / income method, as set out in Appendix 1.
 - 1.1.3 Refer this report to Council for approval of the recommendations at 1.1.2.

Paul Lawrence

Executive Director of Place

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Edinburgh Living LLPs: Acquisition of Homes 2020/21

2. Executive Summary

- 3.1 In February 2018, the City of Edinburgh Council agreed to establish two Limited Liability Partnerships (LLPs) with Scottish Futures Trust (SFT) to deliver 1,500 homes for market and mid-market rent to be let to households on low to moderate incomes.
- 3.2 Each year, the Finance and Resources Committee is asked to approve the transfer of mid market and market homes currently being constructed through the Council's housebuilding programme to Edinburgh Living. Homes are purchased by Edinburgh Living on completion at a price based on total development costs; including design and construction cost, project management costs, land value and related short-term funding costs, leaving the HRA in a cost neutral position.
- 3.3 Committee has already approved the transfer of 327 homes to Edinburgh Living with 150 homes now in the ownership of Edinburgh Living. The remaining 177 homes approved for transfer will be purchased by Edinburgh Living by April 2021.
- 3.4 This report seeks approval to transfer a further 173 homes to Edinburgh Living with Committee asked to note the lending and capital advances required for Edinburgh Living to complete the purchase.
- 3.5 Committee is also asked to note the requirement for an increase in the level of lending and capital advances in relation to the previous approved transfers, following an annual reconciliation of the lending approvals which were based on estimated figures. This will ensure that all costs associated with the delivery of these homes are covered by the LLP.

3. Background

- 4.1 Edinburgh Living was formed as a housing delivery partnership between the City of Edinburgh Council and SFT in March 2018, following the inclusion of a funding package for the initiative as part of the Edinburgh and South East Scotland City Region Deal (City Region Deal).
- 4.2 The City Region Deal included Scottish Government consent for the City of Edinburgh Council to on-lend up to £248 million to two Limited Liability

Partnerships, one for mid-market rent and one for market rent, for the purpose of delivering a minimum of 1,500 homes. The LLPs are jointly known as Edinburgh Living.

- 4.3 In 2018, the Housing and Economy Committee agreed, in principle, that homes developed by the Council within mixed tenure developments for market rent and mid-market rent could be transferred to the Edinburgh Living on completion, subject to agreement by the Finance and Resources Committee.
- 4.4 The report was referred to the City of Edinburgh Council on 01 February 2018 to agree the governance of Edinburgh Living and confirm the appointment of elected members and an Executive Director to represent the Council on the LLPs' Corporate Body, alongside a Director from SFT.
- 4.5 In [June 2018](#) and [December 2018](#) the Finance and Resources Committee agreed that a total of 327 homes constructed as part of the Council's mixed tenure housebuilding programme would be transferred on completion to the Edinburgh Living mid-market rent LLP.
- 4.6 These reports were referred to Council to agree a facility allowing the Council to lend money to Edinburgh Living to purchase the homes.

4. Main report

- 4.1 It was agreed as part of the Edinburgh Living governance structure that on an annual basis, the Finance and Resources Committee would approve the transfer of mid-market rent and market rent homes being constructed by the Council from the HRA to Edinburgh Living. Background on the financial arrangements for the transfer of homes is set out in Appendix 1.
- 4.2 Following approvals from this Committee in 2018 to transfer 327 homes, Edinburgh Living has to date purchased a total of 150 new homes constructed by the Council city-wide. The remaining 177 homes included in these approvals are on site and are due to complete by April 2021.
- 4.3 The purpose of this report is to seek Committee approval to continue the growth of Edinburgh Living by approving the transfer from the HRA of the next tranche of mid-market rent homes, currently under construction, and the first market rent homes scheduled for completion in 2020/21. The homes will be transferred on completion and let to tenants on low to moderate incomes.
- 4.4 The Council currently has 830 homes under construction as part of the mixed tenure council house building programme. In total, 173 of the homes to be delivered by the programme in 2020/21 have been earmarked for transfer to Edinburgh Living. These are detailed within Appendix 1. The homes will be delivered on two sites across the city at Craigmillar Town Centre and Pennywell Town Centre (Phase 2). The homes are located within mixed tenure developments which include housing for social rent which will be held on the HRA and managed by the Council.

- 4.5 The 133 new homes at the Craigmillar Town Centre development are part of a mixed tenure regeneration which consists of a mix of social rent, market rent and mid-market rent homes. Edinburgh Living will purchase the homes as they complete, from Spring 2020 onwards.
- 4.6 There is an established market and high demand for mid-market rent homes in Craigmillar. The Edinburgh Living market rent homes are also expected to be attractive to the market. The precise number of market rent homes purchased over the next year at Craigmillar will be determined following formal marketing and advertising. The 133 new homes will be split between the mid-market rent LLP and market rent LLP based on demand but will include 69 homes for mid-market rent, at a minimum.
- 4.7 Once transferred, the homes will be owned by Edinburgh Living and let and managed by the appointed lettings, management and maintenance service provider, Lowther Homes.

Update on lending previously approved

- 4.8 Following the first full year of operation officers have carried out financial due diligence which includes tracking the actual lending against the approvals previously given by Council. This reconciliation has highlighted that there is a need for supplementary approval of up to £2m to cover the latest estimate of costs for the 327 homes already approved, of which 177 are still to be purchased.
- 4.9 This is due to the original estimated lending requirements not taking into account the total development costs incurred by the HRA and the legal fees incurred by the LLPs as part of the transfer of homes.
- 4.10 Members are asked to note that all costs are met by the LLPs and there is no financial impact to the HRA or the General Fund as a result of the additional lending associated with the previous approvals.

5. Next Steps

- 5.1 Following this Committee's agreement, submit this report to the City of Edinburgh Council on 12 March 2020 for approval of the lending and capital advances required to fund the purchases.
- 5.2 Prepare a report for the Finance and Resources Committee in relation to transfer of homes due to complete in 2021/22, with the inclusion of a financial reconciliation of the on-lending which has taken place in previous years.

6. Financial impact

- 7.1 The total lending required for the additional 173 homes is £22.547m, based on the current estimated figures. Modelling demonstrates that the viability test will be passed. As outlined in paragraph 4.6, the mix between market rent and mid-market

rent homes at Craigmillar Town Centre may be revised according to demand with the figures in appendix 2 based on current tenure mix assumptions.

- 7.2 As noted at 4.8 above, a reconciliation has shown that the total costs for acquisitions already approved by Council may exceed the sums previously approved. The additional lending is forecast to be between £1.5m and £2m. Modelling based on the latest figures confirms that the viability tests will be passed for the 177 already approved for transfer. As with all Edinburgh Living acquisitions, the purchases will be subject to a final viability test run on the day of purchase.
- 7.3 In previous years, members have been asked to approve lending to the LLPs by reference to a specific amount of borrowing for each development. At the time of preparing the report, all costs are estimates, and these are subject to change. In future, it proposed to ask Council to agree that lending can be made for a specific number of houses as long as it is a) within the consent given by the Scottish Government for on-lending and b) the final viability test is passed on the day of acquisition. The final viability test will ensure that the costs are affordable to the LLPs.
- 7.4 The above approach will allow reporting to include an updated financial reconciliation on an annual basis providing Elected Members with information on actual borrowing amounts and reassurance that overall lending remains within the terms of the Scottish Government consent.
- 7.5 There is no impact to the General Fund as a result of lending to the LLPs. The rental income generated by the homes owned by the LLPs is sufficient to cover loan repayments. As all development cost are covered as part of the acquisition price paid by the LLPs, there is no impact on the HRA as a result of this initiative, it is cost neutral.

7. Stakeholder/Community Impact

- 7.1 Edinburgh Living tenants have expressed satisfaction with the size and quality of the new homes. Further feedback will be sought over the next year as more tenants move into their new homes.
- 7.2 The partnership will continue to support the delivery of new homes on brownfield sites, reducing pressure on Edinburgh's green belt.
- 7.3 New build homes are built to high standards in terms of energy efficiency and sustainability. There will be a strong emphasis on providing homes that are cheap to heat and affordable to manage for tenants.
- 7.4 Community benefits secured through housing contracts can enhance the local environment.
- 7.5 An integrated impact assessment has been carried out for this project. A range of positive impacts have been identified. These include:

- 7.5.1 More accessible homes that are suitable for people who have mobility difficulties;
- 7.5.2 More affordable homes to enable people to have a good standard of living;
- 7.5.3 More people able to access housing which enhances rights in relation to privacy and family life; and
- 7.5.4 Community benefits secured through housing contracts can enhance rights to education and learning through development of links with schools.

8. Background reading/external references

- 8.1 [City Deal – New Housing Delivery Partnership Implementation, Housing and Economy Committee, Thursday 18 January 2018](#)
- 8.2 [City Deal – New Housing Delivery Partnership Implementation – Referral from the Housing and Economy Committee, City of Edinburgh Council, 01 February 2018](#)
- 8.3 [City Deal New Housing Delivery Partnership Acquisition of Homes 2018/19, Finance and resource Committee, Thursday 12 June 2018](#)
- 8.4 [Edinburgh Living LLPs: Acquisition of Homes 2019/20, Finance and Resources Committee, Tuesday 04 December 2018](#)
- 8.5 [Edinburgh Living LLPs: Acquisition of Homes 2019/20 – referral from the Finance and Resources Committee](#)
- 8.6 [Edinburgh Living: Management, Maintenance and Letting Services – Award of Contract Under Delegated Authority, Finance and Resources Committee, Thursday 11 October 2018](#)

9. Appendices

- 9.1 Appendix 1 - List of homes to be transferred on completion
- 9.2 Appendix 2 - Financial breakdown
- 9.3 Appendix 3 - Financial background on the transfer of homes to Edinburgh Living LLPs

Financial background on the transfer of homes to Edinburgh Living LLPs

LLPs

The Edinburgh Living LLPs purchase homes with a combination of borrowing received through Council lending and, for the mid-market rent LLP, Scottish Government grant funding. Approval is required from the City of Edinburgh Council to lend funds to the LLPs in order to fund the purchase of these homes. The costs associated with the lending are recharged to the LLPs. The LLPs meet these costs from net rental income generated from letting the properties.

The loans to the LLPs will be a 40-year annuity repayment structure, similar to a mortgage. For the mid-market rent LLP, the rate of interest on the loan is based on the Public Works Loan Board (PWLB) 40-year annuity rate available to the Council on the day each loan is advanced. For the market rent LLP, following advice from the Council's treasury advisers on an appropriate structure to ensure the Council complies with State Aid rules, there will be two separate loans: a senior loan for 90% of the amount and a mezzanine loan for the remaining 10%. As with the mid-market LLP, these will be 40-year annuity loans with rates based on the day the loan is advanced.

A viability test is carried out to ensure that the homes purchased by both the mid-market rent LLP and the market rent LLPs are capable of generating a sustainable income stream that can cover running costs and repayment of principal and interest on the lending provided by the Council's General Fund. A prudent allowance is also required to be earmarked to cover future life-cycle maintenance.

The test is run on the day of purchase for every acquisition made by the LLPs, using the final costs and actual interest rate. Lending will only go ahead if the test is passed. Based on the current estimated costs, rent levels and interest rates and an element of contingency, the viability test requirements for this tranche of acquisitions by both LLPs were met. Appendix 3 sets out the detailed figures.

General Fund

The LLPs generate sufficient net rental income to repay the Loans Fund capital advances relating to borrowing provided for the acquisition of homes and meet life-cycle maintenance requirements. The LLPs monitor the actual operating position and adapt their business plan on an ongoing basis to ensure that this remains the case. It should be noted, however, that should the LLPs fail to make their loan principal or interest repayments, the Council's General Fund will need to fund the shortfall from elsewhere in its own budget.

Financial risk to the General Fund in the event of LLP default is mitigated by the Council having first ranking security on the homes after repayment of the Scottish Government Grant provided for the mid-market rent LLP.

Housing Revenue Account

The financial impact on the HRA is cost neutral as the capital receipt received from the LLPs includes construction costs, land value and short-term funding costs. The capital expenditure associated with funding the construction forms part of the approved Housing Revenue Account Budget Strategy for 2019/20 to 2023/24.

Mid-market and market rent homes to be delivered in 2020/21

Site	Number of homes for mid-market rent	Number of homes for market rent	Total	Approximate date of first phase handovers
Craigmillar Town Centre	69	64	133	April 2020
Pennywell Town Centre Phase 2	40	-	40	February 2021
Total	109	64	Grand total 173	

Financial breakdown

Site	Total acquisition price £m	Scottish Government grant £m	Projected Net Income (per annum – first full year of operation) £m	Debt Servicing costs (per annum) £m
Mid-market rent LLP				
Pennywell Town Centre phase 2	£5.427	£0.880	£0.243	£0.215
Craigmillar	£10.678	£1.518	£0.501	£0.434
Total	£16.105	£2.398	£0.743	£0.649
Market rent LLP				
Craigmillar	£8.714	-	£0.483	£0.438

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Provision of Registrar Services Update

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 notes the review undertaken of Registration Services at both Leith and South Queensferry Registrar offices;
 - 1.1.2 approves a change to the opening hours at the Leith Registrar office, reducing service operations to three days per week recording registration events only. It is proposed that opening days for Leith office will be Monday, Thursday and Friday noting that adjustments may need to be made due to public holidays; and
 - 1.1.3 approves a change to the opening hours at South Queensferry Registrar office to four days per week for recording registration events and also conducting civil ceremonies. It is proposed that opening days will be Monday, Tuesday, Thursday and Friday with the option, depending on customer demand, for opening on Saturday and/or Sunday for ceremonies.

Paul Lawrence

Executive Director of Place

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Provision of Registrar Services Update

2. Executive Summary

- 2.1 This report presents an update on the provision of Registrar Services in Edinburgh and outlines the number of registration events that take place at Leith and South Queensferry Registrar offices.
- 2.2 The number of marriage suite options in Edinburgh has been increased from three to five with standard fee, enhanced accommodation and with larger seating capacity at higher fee rates.
- 2.3 Following a review of registration events and also taking account of the request from Leith Theatre Trust (LTT) for access to Thomas Morton Hall (TMH) it is recommended that the number of days of operation of both the Leith and South Queensferry offices be reduced in aggregate by 30% and the Council withdraw from provision of civil marriage ceremonies at TMH. This will facilitate improved community access to Leith Theatre, reduce potential for staff wellbeing issues and maintain wider community access to Registration Services.

3. Background

- 3.1 A report on Provision of Registrar Services was submitted to Finance and Resources Committee on [12 June 2018](#). Councillor Hutchison requested that a further review and report be prepared.
- 3.2 The Council still has significant budget savings to achieve in the current and future years. As part of that process the Registration Service has reviewed its service delivery and office footprint to contribute to council wide savings targets and improve efficiency.
- 3.3 The Council had three marriage ceremony suites available in 2019.
- 3.4 TMH is part of the Leith Theatre complex and LTT are seeking to gain greater unrestricted access to TMH which is currently used by the Registration Service to conduct civil ceremonies.

4. Main report

- 4.1 The provision of Registration Services is a statutory requirement for the Council, but the arrangements for doing so are at the discretion of the Council.
- 4.2 A review of utilisation of Registration Services across Scotland has led to the number of places available for registering births, marriages and deaths being reduced. In Aberdeen, Dundee and Glasgow only one registration office is now provided, however in Edinburgh, three Registration offices continue to be available:
- 4.2.1 City Chambers;
- 4.2.2 Leith; and
- 4.2.3 South Queensferry.
- 4.3 A recent review of registration services identified:
- 4.3.1 LTT are keen to facilitate improved community access to the TMH;
- 4.3.2 Staff wellbeing issues have been identified due to there being insufficient staff for three offices;
- 4.3.3 the importance of maintaining wider community access to Registration Services; and
- 4.3.4 the need to improve civil marriage ceremony suites to maximise income.

Customer Analysis

- 4.4 National Records of Scotland were asked to carry out an analysis of the home address of customers using the services at both Leith and South Queensferry offices. The table below details the registrar events (births, deaths and marriage ceremonies) recorded during calendar year 2018 for both EH6 and EH30 postcodes which were used as proxies for the geographic areas of Leith and South Queensferry. As part of informal consultation, it was requested that EH5 and EH7 postcodes be included for Leith.

Leith Office						
Registration Event	Number	EH6	EH5	EH7	Total EH5&7	Total Other
Civil Partnership or Marriage	282	18%	8%	10%	18%	64%
Births	1,886	23%	12%	12%	24%	53%
Deaths	1,409	13%	11%	10%	21%	66%
Total	3,577	19%	11%	11%	22%	59%

South Queensferry Office			
Registration Event	Number	EH30	Total Other
Civil Partnership or Marriage	295	3%	97%
Births	628	19%	81%
Deaths	287	22%	78%
Total	1,210	16%	84%

- 4.5 The data in the above table for the Leith office shows that 81% of registration events at Leith are from out with the EH6 post code area (59% are out with if EH5 and EH7 post codes are included). The table above for the South Queensferry office shows that 84% of registration events here are from out with the EH30 post code area. On this basis it is clear that the majority of Registration Services are being carried out for people who live outwith the local area and therefore consideration could be given to consolidating services in the City Chambers office.

Civil Ceremony Suites

- 4.6 The standard fee (£125) for civil ceremonies is charged at both Leith (TMH) and South Queensferry offices. The City Chambers provides enhanced accommodation civil ceremonies within the Alexander Suite for a higher fee, as does the office at South Queensferry.

Thomas Morton Hall

- 4.7 The opportunity to conduct civil ceremonies in TMH is restricted by the events planned by LTT. They have indicated strongly that they would like greater unrestricted access to host additional events which would in turn help to create a sustainable future for the theatre. The ceremony suite in TMH is in a poor state of repair and being on the first floor has no disabled access. Therefore, some ceremonies are held in the foyer/crush area of the theatre which is unsatisfactory due to noise intrusion.
- 4.8 LTT have stated they will continue to offer couples, as they currently do, the opportunity to have their ceremony within the TMH by booking direct with the Theatre and using the services of a Civil Celebrant (this could include using the Council's service if the couple prefer).

South Queensferry

- 4.9 South Queensferry ceremony suite has spectacular views across the River Forth including all three bridges. The original ceremony room was upgraded in late 2019/ early 2020 and is now being used as an enhanced ceremony suite while an additional room has also been transformed into a standard civil ceremony suite for a small number of guests. The available options for couples has been expanded to include Saturday with very good interest so far with 16 bookings taken already for 2020 without publicity.

City Chambers

- 4.10 The investment made in the Alexander Suite in the City Chambers now means that there is enhanced and enhanced with higher seating capacity suites in the City Chambers. In 2020, it is proposed that a standard fee ceremony will be offered in the Alexander Suite signing room for a small number of guests and the refreshed European Room will be offered as an enhanced venue with higher seating capacity. Customers will also be offered the opportunity to host, for a fee, baby naming ceremonies or renewal of vows ceremonies.
- 4.11 Recently, the Council's catering and registration services have been working together to offer after ceremony catering in the City Chambers. This has been done

to increase income which is consistent with Council policy of maximising income generation.

Conclusion

- 4.12 Based on the review findings it is proposed that Leith Registrar office provide a reduced service, operating three days per week recording registration events only. The proposed opening days for this office will be Monday, Thursday and Friday however adjustments will be made for public holidays.
- 4.13 It is also proposed that TMH is no longer used to conduct civil marriage or partnership ceremonies (except those booked directly with Leith Theatre). This will provide unrestricted access to LTT to develop a programme of events which can sustain the theatre operation for future years.
- 4.14 Further, a reduction in opening hours at South Queensferry Registrar office is proposed. The office would be opened four days per week for both recording registration events and conducting ceremonies. The proposed opening days will be Monday, Tuesday, Thursday and Friday. The office will also be open for ceremonies only on Saturday and/or Sunday dependant on customer demand.
- 4.15 Overall this will lead to a reduction of 30% of the ten available standard working days across both sites and will facilitate a 1FTE reduction in staff.
- 4.16 A room will be set aside at both City Chambers and South Queensferry office for standard civil marriage and civil partnership ceremonies to take account of upcoming legislative changes which will allow mixed sex couples to enter a civil partnership rather than marriage the same as same sex couples.
- 4.17 These changes reduce potential for staff wellbeing issues to be experienced as there would be sufficient staff available to work across the three offices on the days proposed for opening.

5. Next Steps

- 5.1 If Committee approve the proposals outlined above, plans will be put in place to reduce the opening days for both Leith and South Queensferry Registrar offices effective from 31 March 2020, with arrangements as follows:
 - 5.1.1 The Leith office will be open Monday, Thursday, and Friday (closed on Tuesday and Wednesday);
 - 5.1.2 the South Queensferry office will be closed on Wednesday;
 - 5.1.3 Civil ceremonies will be provided at TMH in Leith until 31 July 2020; and
 - 5.1.4 Council civil celebrants will continue to provide civil ceremonies for couples at a venue of their choosing in Leith and elsewhere.

6. Financial impact

- 6.1 Reducing the opening days for both Leith and South Queensferry Registrar offices will release 1.0 FTE Grade 5 post which equates to a saving of £33,000 inclusive of employer pension and national insurance charges. It is anticipated this post will be released by deletion of a post currently vacant through retirement.
- 6.2 The investment in the quality of civil ceremony suites means that additional income can be achieved for the Council, as does the offer of catering services for ceremonies taking place in the City Chambers.

7. Stakeholder/Community Impact

- 7.1 There has been no direct consultation with the community. A number of positive discussions have taken place with LLT who are seeking greater unhindered access to TMH. Elected members in the Almond, Leith and Leith Walk wards were also consulted on these proposals.
- 7.2 There are no equalities, health and safety, governance, compliance or regulatory implications arising from these proposals. However, the improvements at City Chambers and South Queensferry and the proposal to not include TMH as a Council suite for civil ceremonies has actually improved the offer for people with disabilities to be married at Council registration offices.

8. Background reading/external references

- 8.1 A report Provision of Registrar Services was submitted to Finance and Resources Committee on 12 June 2018 which contains further detail about service provision in the recent past.

9. Appendices

- 9.1 None.

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Fleet Renewal Programme

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 Finance and Resources Committee are asked to:
 - 1.1.1 endorse the planned fleet replacement strategy to meet key service requirements, delivering a modern fleet of vehicles which complies with the proposed Low Emission Zone (LEZ) and explores the emerging technology available for alternatively powered vehicles;
 - 1.1.2 note the proposed capital investment in the Council's vehicle fleet of up to £12.563m, as detailed in Appendix 1.
 - 1.1.3 Note that investment will be funded from savings made through a review of the Council's fleet and supplemented by third party grants for electric vehicles and infrastructure; and
 - 1.1.4 approve the programme of contracts within this programme (as set out in Appendix 1) and delegate responsibility to award all of the contracts to the Executive Director of Place.

Paul Lawrence

Executive Director of Place

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Fleet Renewal Programme

2. Executive Summary

- 2.1 This report updates Committee on the fleet renewal programme and notes the proposed for capital investment of up to £12.563m (for up to 215 vehicles to be replaced). This will ensure the Council's vehicle fleet is reliable, fit for purpose and contributes towards carbon reductions and improved air quality. The procurement of these vehicles will be undertaken using a number of national frameworks and is expected to commence in March 2020.
- 2.2 In order for this programme to move forward timeously, the report also seeks approval for the award of all contracts in the programme (as noted within Appendix 1) to be delegated to the Executive Director of Place.

3. Background

- 3.1 The Council has a vehicle fleet of 1,098 vehicles in total (including 796 Light Fleet and 302 Heavy vehicles). A project to review the arrangements in place for managing the Council's vehicles has been on-going for some time, with the main aims being to replace the current aged fleet; to ensure that the Council has a fleet that is fit for purpose; contributes towards carbon reductions and improved air quality; has the level of reliability and flexibility required; and is most cost efficient without any compromise to health and safety.
- 3.2 The current fleet of vehicles are aging and therefore, to achieve the project goals, it is essential that the Council invests to ensure that the future fleet is fit for purpose and can be adequately maintained.
- 3.3 Initial market research (looking at best practice in other local authorities and subject matter expert consultations) indicates that there is a rationale to look at different approaches for Light and Heavy fleet, therefore the fleet replacement programme is split into these two distinct groupings.
 - 3.3.1 Light fleet is defined as vehicles up to 3.5T in gross weight consisting mainly of cars, vans and generic minibuses; and
 - 3.3.2 Heavy fleet is defined as vehicles of gross weight in excess of 3.5T typically truck mounted/ Heavy Goods Vehicle class.

- 3.4 For Heavy fleet, the market research into the emerging electric technology of heavy Fleet indicates that replacement of these vehicles will remain financially unviable for the next five years.
- 3.5 This report is focused on the Heavy Fleet, while work continues on finalising plans for the Light Fleet.

4. Main report

Heavy Fleet

- 4.1 Funding has been received to allow the Council to purchase a large electric sweeper (the first in Scotland). Not only is this vehicle carbon neutral in terms of emissions, the noise reduction achieved by moving to this electric model will allow the service to operate extended hours without disrupting residents of the city. Moving forward, it is intended to operate a minimum of one third of heavy vehicles on alternative fuel within the next seven years however this will be challenging.
- 4.2 In terms of capital spend on other heavy vehicles, there are currently no financially viable options that would allow the Council to purchase electric vehicles without significant external funding. Council officers will continue to work with government funding bodies and commercial companies to explore funding options and are confident that further funding will be secured.
- 4.3 There are options available for individual vehicle types to become less fuel dependent, for example refuse vehicles now have the option of a fully electric bin lift, and trials of this system have demonstrated a reduction in noise and fuel consumption. Feedback from the service department has been very positive so far.
- 4.4 As part of the fleet renewal programme, funding has been identified to ensure there is the flexibility to replace up to one third of the Heavy fleet within six months, should any financially viable electric options emerge. This is possible through a staged replacement programme, as well as retaining a smaller number of hire vehicles. The required investment is set out below:

Cleansing £1,800,000

- 4.5 It is proposed to purchase 29 vehicles to replace existing vehicles, covering all aspects of street cleansing management including bulk uplifts, specialist hot washing units, specialist trucks, litter bin collection vehicles (that collect litter from over 3,400 litter bins across the city), and mechanical sweepers.

Waste services £3,700,000

- 4.6 The requirements for the waste collection service over the next seven years are not yet clear as the potential impacts of the Communal Bin Review, the two new waste transfer stations and the proposed deposit return scheme (DRS) for glass are not yet known.

4.7 However, an assessment of the current vehicle arrangements shows that there are currently 21 Refuse Collection Vehicles (RCVs) on hire, and for the reasons given above it has been decided to keep six as hires (albeit on a firmer contract and reduced cost). The remaining 15 will be replaced as part of the renewal programme.

4.8 There are also five other vehicles and items of plant that need to be replaced.

Parks £1,500,000

4.9 Parks and Greenspace have been working with some of the most aged vehicles in the fleet (average age of 11.5 years). The proposal is to replace 59 vehicles (with only three hire replacements) with vehicles with improved health and safety features for staff. Both contract hire and purchase options are available for these types of vehicles, therefore the best solution will be identified in advance of tendering.

4.10 It has also been agreed to remove the crew-cab element of large trucks in this area, therefore the payload of the vehicles can be increased, reducing the number of journeys required. This will mean transporting crew in alternative vehicles, with electric vans being the suggested option.

4.11 The overall capital required remains the same, however the vehicle count would increase, whilst the emissions and fuel cost would decrease. The remaining spend covers plant machinery including tractors, JCBs, specialist trucks and grounds maintenance machinery.

Roads £4,300,000

4.12 A review of service activities has shown that much of the current fleet is no longer fit for purpose. The review shows that

4.13 The capital investment for 41 vehicles in total is required to cover street lighting maintenance, road maintenance and resurfacing, carriage way line marking, winter emergency services, and gully emptying services.

Other service areas £715,000

Library Services

4.14 The Library vehicles are now 17 years old: the service will be reduced to two large units with smaller electric vans providing an order/delivery service instead of five which currently operate.

Community Transport

4.15 After a successful pilot of smaller bus transportation for children, three electric buses are being added to the transport hub fleet to replace the current older models.

Light Fleet Vehicles £510,600

4.16 This financial year (2019/2020) has seen the Council focus on carbon emission reductions by accelerating the introduction of electric vehicles into the fleet. Grant funding of over £0.5m has been secured to enable the purchase / lease of electric

vehicles, and over £0.5m has also been secured to invest in the supporting charging infrastructure.

- 4.17 Prior to this financial year all electric vehicles were leased for a period of three years. As technology has now advanced to a stage where main line produced electric vehicles can travel in excess of 100 miles on a single charge, this provides an opportunity for the Council to further make the switch to electric vehicles and ensure that a significantly greater number of Council journeys are undertaken in electric cars and vans.
- 4.18 For this reason, it is proposed to purchase 32 car and 20 vans. Scottish Government funding of 40% of the purchase price has been offered. This means it will be possible for the Council to replace all Fleet cars with electric in 2020.
- 4.19 There will be a separate report to follow outlining further future proposals on planned replacement for light fleet.

Vehicle Maintenance

- 4.20 The maintenance of all of the procured vehicles will be undertaken by the in-house workshop. As part of the fleet review, the activities of the workshop operation are being reviewed to ensure that the service is optimised to support frontline service delivery in the service areas shown above.

5. Next Steps

- 5.1 Once approved the next steps will be to procure the vehicles outlined in this document. Taking into consideration the following:

Risk	Mitigating Action
Vehicle Performance	High performance thresholds have been set out in the specifications, which will ensure all potential suppliers are aware of Council expectations. The preferred bidders will be asked to confirm their ability to meet strict performance criteria.
Quality of Vehicles	Wherever possible suppliers will be asked to provide a four-year warranty in the submission.
Contingencies for Vehicle Break Downs	Free of charge replacements will be asked to be made available to cover periods when vehicles are off the road for longer than 48 hours during the warranty period provided that parts or labour are not available, and it is not a Council induced fault.

- 5.2 Subject to Committee approval of the renewal programme and the contract awards outlined in Appendix 1, it is requested that delegated authority is given to the Executive Director of Place to award contracts in line with the programme provisions. This will enable the programme to move forward timeously.

- 5.3 In the event of vehicles failing to meet quality requirements specified in the Contract, Fleet will ensure that strict Contract Management has minimal effect on business continuity.
- 5.4 It is intended to appoint a Fleet Sustainability Manager, to ensure that the Fleet Renewal Programme remains a priority, while a Contract Manager will be in place to monitor performance of the vehicles throughout the duration of the contracts and will be responsible for ensuring that there is minimal impact on business continuity where vehicles fail to meet the quality requirements specified.

6. Financial impact

- 6.1 The investment required to bring the fleet up to the necessary standard is estimated to be £12,563,966, as set out in Appendix 1. This cost can be contained within the capital budget for Fleet replacement as approved by Council on 20 February 2020.
- 6.2 The investment value takes into account the list price of the vehicles proposed for purchase with no residual value. At time of tenders, all potential purchases will be cross checked against contract hire rates/other methods of procurement to ensure that purchase is still the best value option.
- 6.3 £420,000 of capital funding has been set aside for the vehicles for Parks that may be lower cost on contract hire (negotiations are on-going at time of writing). If this is the case, the capital funding required will be reduced by this amount. Similarly, any grants received towards electric or other sustainable vehicles will reduce the net cost to the Council.
- 6.4 The loans charges associated with the total capital investment over a 7-year period is estimated to be a principal amount of £12.563m and interest of £1.482m, resulting in a total cost of £14.045m. This represents an annual cost of £2.006m. This forecast uses an interest rate of 2.51%, which is based on current Public Loans Works Board borrowing rates and an appropriate margin to cover short-term volatility. As vehicles are procured, the Council's Treasury Service will carry out a financial options appraisal to identify the method of finance that will deliver best value for the Council.
- 6.5 Loans charges or alternative financing costs will be met from savings achieved through the overarching Fleet Review Project and securing investment from external funding sources. The Fleet Review Project will overall deliver a net saving to the revenue budget of approximately £500,000, after loans charges are taken into account.
- 6.6 All tenders will be scrutinised to maximise the potential to deliver whole life cost savings.

7. Stakeholder/Community Impact

- 7.1 The fleet renewal programme will help support key frontline services to the city and will have a positive impact on communities.

- 7.2 The improved environmental performance of the fleet will also reduce carbon emissions and will contribute to improved air quality.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 - Procurement Lots.

Appendix 1 - Procurement Lots

Project	Modelled Value (£)	Capital Spend	Revenue Spend	Funding/Potential Funding
Electric Vehicles 1 Corsa (x32)	£553,953.28	£332,371.96		£221,581.32
Electric Vehicles 2 Kangoo (x20)	£ 297,146.40	£178,287.84		£118,858.56
Electric Vehicles 3 Nissan (x20)	£152,181.60			£152,181.60
Electric Sweeper	£184,307	£184,307		£187,307.00
Plant Paver Machine	£250,000	£250,000		
Purchase of 4 x Waste Plant Machinery - Roller Packers	£320,000	£320,000		
Purchase of 14 x 3.5T Beavertail Vans and 2 x 4.6T boxside	£500,000	£500,000		
Purchase of 9 x 18T Multibody Tipper/Gritter, Insulated/Concrete Body/Hotbox	£1,069,000	£1,069,000		
Purchase of 13 x Demount Bodies (for 7.5T chassis)	£65,000	£65,000		
Purchase of 15 x 7.5T Tipper/Gritter/Crane Multibodies	£1,320,000	£1,320,000		
Purchase of 3 x 26T Tipper/Gritter/Insulated/Crane Multibodies	£480,000	£480,000		
Hire of 26T Gritter x1 plus 18T x 7 (6 year contract)	£852,000		£852,000	
Purchase of 6 x 4.5T Dropside/Tipper Vans	£240,000	£240,000		
Purchase of 3 x 5.2T Tower Vans and 1 x 7.5T Access Tower Van	£280,000	£280,000		
Purchase of Flatbed/Hiab Truck	£100,000	£100,000		
Purchase of 3 x Electric Buses	£270,000	£270,000		Potential Funding
Purchase 4 x 18T RCV for Food and 2 x18T for glass that can be converted	£930,000	£930,000		

Purchase 15x 26T RCV	£2,400,000	£2,400,000		
Purchase of 2 x JCB 1CX/2CX	£60,000	£60,000		
2 large mechanical sweepers	£300,000	£300,000		
5 midi sweepers (over 3.5 t) - over 4 years	£520,000		£520,000	
Purchase of 2 x Large Jetter Van	£132,000	£132,000		
Hire of 8 x small Precinct Sweepers (3.5t and under) 4 years	£850,000		£850,000	
Purchase of 9 x Tractors/Large Tractors	£246,000	£246,000		
Purchase of 2 x 7.5T Library Vehicles (bespoke)	£374,000	£374,000		
Purchase 18T Zipper Truck	£100,000	£100,000		
Purchase of 14 x Trailers	£63,000	£63,000		
HIRE 3x Hydraulic Platform Lighting Tower vehicles (4 years)	£180,000		£180,000	
2 x carriage way markers	£200,000	£200,000		
3 x Gully cleaners	£450,000	£450,000		
5 x 7.5T litter presses plus 1 x 12T litter press	£545,000	£545,000		
1 10T Bin Repair vehicle with crane dropside etc	£88,000	£88,000		
20 Trucks 7.5t (5 Flatbed Taillift, 9 dropside crane, 5 hooklift & demount, 2 tipper)	£1,087,000	£1,087,000		
Total	£14,455,307	£12,563,966		

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Finance and Resources Committee

10am, Thursday, 5 March 2020

Framework Agreement for Estates Management Services

Routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 approves the award of a single supplier framework agreement for estates management services, that includes garden and estates clearance, minor works and property security services for Council homes to idverde Ltd; and
 - 1.1.2 approves the commencement of the framework agreement from 1 June 2020 for a period of two years, with the option to extend for two years at 12-month intervals, until 30 May 2024, at an estimated cost of £1.8m over the four years.

Paul Lawrence

Executive Director of Place

Contact: Elaine Scott, Housing Services Manager

E-mail: Elaine.scott@edinburgh.gov.uk | Tel: 0131 529 6789

Framework Agreement for Estates Management Services

2. Executive Summary

- 2.1 This report seeks the approval of the Finance and Resources Committee to award a framework agreement to *idverde* for Estates Management Services. This framework, required by the Housing Service, will cover the clearance and minor works to garden areas and the provision of security measures as part of letting Council homes as well as responsive grounds maintenance and the removal of rubbish to maintain the standard and safety of the local environment for residents.
- 2.2 The duration of the framework will be two years, with an option to extend for a further two additional 12-month periods. The demand for services provided under this contract will be dependent on factors such as the level of homes being re-let and the requirements for security measures but the estimated value of the contract over the four-year period, including extensions, is estimated at £1.8m.

3. Background

- 3.1 The Council currently has two separate contracts in place with different suppliers covering these areas of service: Low Rise Housing Revenue Account Grounds Maintenance Works and City-Wide Security for Domestic Properties. These contracts were approved for extension through Finance and Resources Committee in [December 2018](#) to allow the strategic alignment of services 'similar' in nature, under a combined framework, to ensure efficient use of resources and to meet the changing needs of the Housing Service.
- 3.2 A review of the current arrangements was carried out by Commercial and Procurement Services, in conjunction with the Housing Service as part of the Housing Service Improvement Plan work on estates management. Following the review, the specifications of the two contracts were combined and a tender process completed for a new single supplier framework agreement which will cover the estate management type services for Council homes and estates.
- 3.3 It is expected that this alignment of services will deliver efficiencies in cost and contract management and will ensure that tenant satisfaction with their homes and local neighbourhoods are maintained and improved.

4. Main report

- 4.1 A new aligned single supplier framework agreement for estate management services was designed to deliver efficiencies in cost and contract management, increase productivity and response times and to maintain and improve the standard and safety of the local environment for residents.
- 4.2 The framework agreement has been designed to cover the need for a single point of contact for empty homes estates clearance and security measures on Council homes across the whole of the city. Potential efficiencies and improved contract management are expected to be achieved using this framework agreement. The single aligned contract will ensure Council homes are protected from vandalism, flood and fire or incidents of anti-social behaviour and Council homes can be let efficiently.
- 4.3 Market engagement was carried out with a prior information notice being issued on 9 September 2019 to engage the market on the intention to have a single agreement to cover the needs of the Council. Six suppliers engaged and returned completed questionnaires. All six suppliers unanimously indicated that a single contract for all aspects of the service was achievable. Following this exercise an updated specification, pricing schedules and key performance indicators (KPIs) were developed to ensure the contract will provide the coverage required.
- 4.4 On 18 October 2019, the Council published a contract notice under an open procedure, as set out in Public Contracts (Scotland) Regulations 2015, with a tender submission deadline of 26 November 2019. The procurement procedure allowed the Council to identify suitable tenders in terms of compliance with the procurement regulations and the service specific criteria.
- 4.5 To identify tenderers offering best value the evaluation included an emphasis on quality as well as price and submissions were assessed on the basis of most economically advantageous tender. A cost to quality ratio of 60/40% was applied.
- 4.6 A total of 19 organisations registered interest in the Contract Notice and six tenders were received. A summary of tendering and the tender evaluation process is attached at Appendix 1 and recommended for award is attached at Appendix 2.
- 4.7 Further due diligence was conducted with the supplier offering the most economically advantageous tender. This due diligence was to ensure that the identified supplier *idverde* Ltd fully understood the requirements of the service. A meeting was conducted with representatives from *idverde* Ltd, Corporate Procurement Service and the Housing Service and discussions covered elements of both quality and pricing included in their submission. *idverde* Ltd provided assurance to the Council that all service requirements were understood and would be met.
- 4.8 The framework agreement will be managed by a contract manager in the housing service. Operational oversight of service delivery will be managed through the housing service within the four localities.

5. Next Steps

- 5.1 Subject to approval, the framework agreement will commence on 1 June 2020.
- 5.2 A transition period from 1 April 2020 will allow for the smooth changeover of services from the incumbents to the new provider to achieve the start date of 1 June 2020.

6. Financial impact

- 6.1 The demand may fluctuate over the term of the framework depending on the levels of Council homes being re-let and the requirements for wider states management works as covered in the contract but the estimated value over the four-year period is £1.8m. This will be funded through the Housing Revenue Account.
- 6.2 The table below illustrates the potential savings that may be achieved over the four-year period of the framework. This is based on estimated demand for the service and a comparison of rates for elements of work under the previous contract against the prices in the *idverde* Ltd tender submission. The savings are measured against a full year spend.

Description	20/21	21/22	22/23	23/24	Total
Competitive Tendering Savings	£450,503	£450,503	£405,000	£355,500	£1,661,506

- 6.3 Costs are fixed for the first two years of the framework. These will be monitored and controlled by the responsible contract manager and will be reviewed prior to uptake of any extension.
- 6.4 The costs associated with procuring this contract are estimated to be between £10,000- £20,000.

7. Stakeholder/Community Impact

- 7.1 Consultation and engagement have been undertaken with internal service users. Tenants are also consulted annually through the Housing Budget Consultation and through on-going engagement by the Council. In the 2019/20 consultation estate management was one of the areas prioritised by tenants for investment.
- 7.2 *Idverde* Ltd have committed to reduce carbon emissions in their operations. Vehicles to be utilised in delivering this contract use Euro 6 and AdBlue additive to help reduce engine emissions and the organisation is committed to reducing, recycling and re-using waste. Segregation of waste streams will be carried out to maximise the recycling of all waste.

- 7.3 The Sustainable Procurement Policy was considered and applied through the request of community benefits. The benefits to be delivered will be finalised prior to contract commencement and monitored throughout the life of the contract by the contract manager. idverde Ltd have indicated that they will deliver the following community benefits over a four-year period:
- 4 modern apprenticeship positions, 1 per year for the duration of the 4-year contract;
 - 2 new entrant positions per year for the duration of the 4-year contract; and
 - 2 x 6-week work experience placements per year for the duration of the 4-year contract.
- 7.4 The framework recommended for award is compliant with procurement regulations and the Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provisions of this service is thereby reduced.

8. Background reading/external references

- 8.1 Low Rise Housing Revenue Account Grounds Maintenance Works- Extension to Contract, Finance and Resources Committee, 4 December 2018.
- 8.2 City Wide Security for Domestic Properties- Extension to Contract, Finance and Resources Committee, 4 December 2018.

9. Appendices

Appendix 1 - A summary of tendering and the tender evaluation process

Appendix 2 - Recommended for award

Appendix 1 - A summary of tendering and the tender evaluation process

Contract	Empty Homes: Estates Clearance, Garden Maintenance & Minor Works, Property Protection																						
Contract period (including any extensions)	1 June 2020 – 31 May 2022 with the option to extend for a further two twelve-month extensions (2+1+1)																						
Estimated contract value	£1,800,000 (Total including extensions)																						
Procurement Route chosen	Open Procedure																						
Tenders returned	6																						
Name of Recommended supplier	idverde ltd																						
Price / Quality ratio	60/40																						
Evaluation criteria and weightings.	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <table border="1"> <tr> <td rowspan="9">SERVICE DELIVERY</td> <td rowspan="9">95%</td> <td>Contract Delivery Team</td> <td>10%</td> </tr> <tr> <td>Employment Practices</td> <td>7%</td> </tr> <tr> <td>Contract Delivery Methodology</td> <td>30%</td> </tr> <tr> <td>Quality & Cost Assurance</td> <td>20%</td> </tr> <tr> <td>Environmental Impact</td> <td>7%</td> </tr> <tr> <td>Business Continuity</td> <td>7%</td> </tr> <tr> <td>Meeting Key Performance Indicators & Targets</td> <td>7%</td> </tr> <tr> <td>Risk Management</td> <td>7%</td> </tr> <tr> <td>Complaints Procedure</td> <td>5%</td> </tr> </table>			SERVICE DELIVERY	95%	Contract Delivery Team	10%	Employment Practices	7%	Contract Delivery Methodology	30%	Quality & Cost Assurance	20%	Environmental Impact	7%	Business Continuity	7%	Meeting Key Performance Indicators & Targets	7%	Risk Management	7%	Complaints Procedure	5%
SERVICE DELIVERY	95%	Contract Delivery Team	10%																				
		Employment Practices	7%																				
		Contract Delivery Methodology	30%																				
		Quality & Cost Assurance	20%																				
		Environmental Impact	7%																				
		Business Continuity	7%																				
		Meeting Key Performance Indicators & Targets	7%																				
		Risk Management	7%																				
		Complaints Procedure	5%																				

	Sustainable Procurement Policy and Action Plan	5%	Community Benefits	100%
Evaluation Team	Three Council Officers from the Housing Service within Place Directorate Team.			

Appendix 2 - Recommended for award.

Tenderer	Quality (40%/100%)	Price (60%/100%)	Total Achieved Score (100%)
idverde ltd	17.82%	60.00%	77.82%
Tenderer 2	29.53%	42.53%	72.06%
Tenderer 3	24.92%	40.20%	65.12%
Tenderer 4	30.57%	32.83%	63.40%
Tenderer 5	21.67%	29.56%	51.22%
Tenderer 6	22.73%	25.56%	48.29%

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Edinburgh International Conference Centre hotel and hotel school – business case

Executive/routine Wards Council Commitments	Executive 11 – City Centre 2, 31
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1. Recommendations

- 1.1 It is recommended that the Committee:
- 1.1.1 notes the proposed Edinburgh International Conference Centre (EICC) hotel and hotel school project as set out in this report and the business case;
 - 1.1.2 notes that there is no new call on Council capital or revenue budgets;
 - 1.1.3 notes that the project is forecast to generate sufficient income to meet all EICC Ltd capital replacement requirements as well as surpluses for redistribution to the Council in later years;
 - 1.1.4 notes that delegated authority would be granted to the Chief Executive (or any such other officer as they shall sub-delegate to) to proceed with the Agreement for Head Lease, the Agreement for Sub Lease, and any other agreements and actions required to commence the project;
 - 1.1.5 notes that the Strategic Delivery Agreement which would be entered into between the Council and Edinburgh International Conference Centre Limited (as referenced in the business case) would be presented to the Housing, Homelessness and Fair Work Committee for approval; and
 - 1.1.6 refers this report to full Council for its consideration of the Council proceeding with the EICC Ltd hotel and hotel school project.

Andrew Kerr

Chief Executive

Contact: David Cooper, Commercial Development and Investment Manager

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Edinburgh International Conference Centre hotel and hotel school – business case

2. Executive Summary

- 2.1 This report introduces a business case for the Council entering into a 25-year head lease on a hotel of around 365 bedrooms that is being developed at The Haymarket Edinburgh by Quartermile Developments Limited. The Council will in turn sub lease the hotel to Edinburgh International Conference Centre Limited, who will operate the hotel under a Franchise Agreement with an international hotel brand as well as operating a hotel school based in the hotel in partnership with Edinburgh College.
- 2.2 The profits from the hotel will be used to fund the required capital investment in the Conference Centre. There is not expected to be any new call on Council capital or revenue budgets and the Council will not take on any risk associated with the construction of the hotel. In addition, profits are forecast for redistribution to the Council in later years.
- 2.3 The Committee is recommended to agree in principle that the Council proceed with the project as set out in the business case, to note that the necessary authority would be delegated to the Chief Executive to enter into all agreements and take all actions required to deliver the project, and to refer the report to the City of Edinburgh Council to approve the Council proceeding with the project.

3. Background

- 3.1 The Edinburgh International Conference Centre (“the Conference Centre”) is operated by EICC Ltd, a subsidiary of CEC Holdings Limited, a Council arm’s length company.
- 3.2 EICC Ltd forecasts that, over the 21-year period from January 2018 to December 2038, significant capital expenditure on the Conference Centre will be required. EICC Ltd’s operating surpluses are not forecast to be sufficient to meet this expenditure. A fund exists for investment in the Conference Centre, the Lothian Road Expenditure Trust, but this is only capitalised with £4.03m. In June 2018, the Council’s Housing and Economy Committee instructed officers to identify potential solutions to the capital funding challenge.

- 3.3 Council officers together with EICC Ltd officers identified a potential solution as being to secure (by lease or purchase) additional property with income-generation potential. Subsequently, the potential for the Council to lease a hotel which will be sub-let to EICC Ltd was explored. In spring 2019, the property developer Quartermile Developments Limited approached the Council with an opportunity for the Council to take a leasehold interest in a hotel being delivered at The Haymarket Edinburgh, a brownfield development site on Morrison Street. It is important to note that the development will proceed regardless of whether the Council is involved – the Council is not itself developing a hotel, or financing the development of one, or enabling an otherwise unviable hotel to be developed via its involvement.
- 3.4 In October 2019, the Finance and Resources Committee agreed the principle of the Council securing an interest in a hotel at The Haymarket Edinburgh as a means of funding capital expenditure in the Conference Centre and instructed officers to carry out due diligence on the proposal.

4. Main report

- 4.1 This report introduces a business case (prepared using the HM Treasury “five case” model) for the Council entering into a 25-year lease on a hotel of around 365 bedrooms (the biggest in Edinburgh) that is being developed at The Haymarket Edinburgh by Quartermile Developments Limited. The Council will in turn sub lease the hotel to EICC Ltd, who will operate the hotel under a Franchise Agreement with an international hotel brand. The profits from the hotel will be used to help fund the required capital investment in the Conference Centre identified above. EICC Ltd will also operate a hotel school based in the hotel in partnership with Edinburgh College.
- 4.2 The business case is to be considered as a private item given the commercially sensitive information it contains.
- 4.3 The Strategic Case chapter of the business case sets out the strategic rationale for proceeding with the project. The project aims to deliver six key benefits for the Council and for Edinburgh more widely: funding capital expenditure on the Conference Centre; generating an additional return on investment (profit); making EICC Ltd financially self-sufficient; enhancing the skills of tourism sector workers; contributing to the strategic development of The Haymarket Edinburgh; and attracting additional visitor expenditure to Edinburgh. The project will contribute to the fulfilment of two Council Commitments and multiple strategic aims, including the Edinburgh Economy Strategy, Edinburgh Tourism Strategy, and 2030 carbon neutrality target, for example by creating over 200 new jobs paying at least the Real Living Wage (making it an exemplar for well-paid, fair work).
- 4.4 The Economic Case chapter of the business case sets out the two options for delivering the project that were considered (along with the “do nothing” option) and the net present value and wider benefits of each, concluding that a Franchise Agreement delivers the best value, with a positive net present value. Sensitivity

analysis shows that the projected net present value remains positive under adverse market conditions up to a simultaneous decline in occupancy and room rate of 20%. The Economic Case chapter also sets out that The Haymarket Edinburgh was judged to be the only available location for the hotel fulfilling the requirements of close proximity to the Conference Centre, capacity of 350–400 bedrooms, and the ability to generate required profits in the required timeframe.

- 4.5 The Financial Case chapter of the business case models the costs and income of the hotel, including maintaining a reserve to cover lifecycle expenditure on the hotel. Costs during the pre-opening phase of the hotel (such as construction management, staff recruitment and the purchase of hotel supplies) will be met from EICC Ltd's cash balances, which will subsequently be replenished once the hotel is operational. In its first year of trading the hotel is projected to generate sufficient revenue to, when combined with key money received from the franchisor¹, enable the hotel to meet the projected running costs, pay taxes due, and to reinstate EICC Ltd's cash balances. In the longer-term, as revenues reach stabilisation, the projected profits will enable the capital expenditure requirements of the Conference Centre to be met in full and to build up a contingency reserve. Surpluses beyond this will be available for redistribution to the Council and, upon agreement, reinvestment in EICC Ltd. The hotel will remain profitable in most forecast scenarios albeit it could not sustain a deep prolonged fall in demand. There is not expected to be any new call on Council capital or revenue budgets for the duration of the project.
- 4.6 The Commercial Case chapter of the business case sets out how commercial relationships will be established in a manner that secures best value and at the same time ensures compliance with relevant legal and regulatory rules, including procurement rules. The Council will directly enter into a head lease agreement for the hotel to be developed, with the hotel being leased to the Council when construction is complete. The Council entering into such an arrangement is permitted under the relevant regulations, and commercially the only option, on the basis that The Haymarket Edinburgh is the only possible site meeting the requirements of the Council and EICC Ltd: (i) close proximity to the Conference Centre, (ii) a capacity of 350–400 bedrooms, and (iii) the ability to generate the required profits within the required timeframe. This approach has been subject to independent assessment by the Council's external legal and property advisers. The sub lease of the hotel to EICC Ltd will be on market terms mirroring those of the head lease entered into by the Council. EICC Ltd will then operate the hotel under a Franchise Agreement with a preferred franchise partner selected following an extensive selection process.
- 4.7 The Management Case chapter of the business case sets out how the project will be governed and managed. From the Council's perspective, the core relationship of the project is that between the Council and EICC Ltd, and this will be controlled by

¹ Key money refers to an upfront payment made by a hotel brand as a financial inducement to secure a franchise / management agreement. This payment is returnable should EICC Ltd cease to comply with the terms of the agreement.

three key documents: the EICC Ltd shareholders' agreement, the sub lease, and a new Strategic Delivery Agreement between the Council and EICC Ltd. A programme and risk register have been prepared. A framework has been developed for the management of the development of the hotel, for health and safety management, and for remedial actions in the case of construction insolvency, along with cost, risk, stakeholder, communications, environmental, and benefits management. EICC Ltd has set out how the hotel and the hotel school will be structured and operated.

- 4.8 In addition to the business case, further information, including copies of the external advice and reports referred to in the business case, has been made available to elected members in a confidential data room in advance of the committee meeting. This includes external legal advice from CMS and James Goudie QC (external legal advisers), reports from Avison Young (an external real estate adviser), and a report from Colliers (an external hotel adviser).
- 4.9 The business case concludes that the project aligns with the Council's strategic aims; that the project secures best value and represents the best of the options available; that the project is affordable and fundable; that the project is commercially viable and can be procured in line with relevant regulations; and that the Council and EICC Ltd can successfully deliver the project.

5. Next Steps

- 5.1 Subject to approval by full Council, the Council will enter into the Agreement for Head Lease, the Agreement for Sub Lease with EICC Ltd, and all other agreements needed to deliver the project as set out in the associated business case. A Working Group comprising officers from relevant Council service areas (Economic Development, Estates, Finance, Legal, and Procurement) and representatives from EICC Ltd has been established to take the project forward. The composition and membership of the group will be kept under review to ensure it has the appropriate set of skills and experience to successfully deliver the project.
- 5.2 A full project programme is set out in Annex C of the associated business case.
- 5.3 Project updates will be provided via annual reports and business bulletin items along with EICC Ltd's annual reports.

6. Financial impact

- 6.1 The report recommends that the Council approves the principle of the Council entering into a head lease agreement on the hotel and into a sub lease agreement with EICC Ltd that will mirror the terms of the head lease. Financial modelling carried out to support the business case shows that the hotel will generate sufficient profits to meet rental payments in full.

- 6.2 The hotel is expected to be profitable from its first year of operation. There will be additional costs for EICC Ltd during the pre-opening phase, but these will be covered by EICC Ltd's cash balances. There is therefore not expected to be any new call on Council capital or revenue budgets.

It is forecast that the hotel will deliver sufficient net surpluses over the project lifespan – covering two years pre-opening and 25 years of operations – to fund the Conference Centre lifecycle capital expenditure over that period and build up a contingency reserve. Residual surpluses remaining after funding capital expenditure on the Conference Centre and other agreed priorities (such as required capital expenditure on the hotel and any funds retained by EICC Ltd for projects as agreed in line with its business plan) will be returned to the Council in a tax-efficient manner.

- 6.3 There is a risk that the profitability of the hotel could be eroded by adverse market conditions. A range of scenarios have been tested and it has been found that the hotel could broadly sustain a 20% decline in occupancy alongside a 20% decline in room rate. The hotel could not sustain prolonged extremely adverse market conditions, but the external advice received by the Council from its property advisers is that a downturn of this magnitude or this duration is highly unlikely.
- 6.4 The proposal for the hotel school is still under development and exact costs are still to be quantified. Discussions are ongoing with Edinburgh College, the Student Awards Agency Scotland, and the Scottish Government regarding potential funding sources, but it is anticipated that all costs associated with the hotel school can be met from the income it will generate from course fees and other items.

7. Stakeholder/Community Impact

- 7.1 The principal project stakeholders and the strategy for managing good relations with each are set out in the Management Case chapter of the associated business case.

8. Background reading/external references

- 8.1 "EICC – Capital Expenditure Requirements" – report to the Housing and Economy Committee, [24 January 2019](#) (B agenda)
- 8.2 "EICC – hotel and hospitality training school opportunity at The Haymarket Edinburgh" – report to the Finance and Resources Committee, [10 October 2019](#) (B agenda)

9. Appendices

- 9.1 Appendix one: EICC hotel and hotel school – business case (to be considered in private, given the commercially sensitive information contained in it)

by virtue of paragraph(s) 8, 9 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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Finance and Resource Committee

10am, Thursday, 5 March 2020

Award of Support to Establish a Home Framework Agreement

Item Number
Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Approves the award of a Framework Agreement to assist with homelessness prevention. This framework will provide furnishings and support for new tenants to establish and sustain a home, to a consortium known as Gateway to Homes and Communities. There are two consortium partners, Bethany who the Council are contracting with as lead partner and Fresh Start.
 - 1.1.2 Approves the commencement of the framework on 1 April 2020, for a period of five years with two optional 12-month extensions, at a total estimated value of £1,540,000.

Alistair Gaw

Executive Director for Communities and Families

Contact: Nicky Brown, Homelessness and Housing Support Senior Manager

E-mail: nicky.brown@edinburgh.gov.uk | Tel: 0131 529 7589

Award of Support to Establish a Home Framework Agreement

2. Executive Summary

- 2.1 This report seeks approval to award a framework agreement to a consortium known as Gateway to Homes and Communities. This framework will provide furnishings and support commencing on 1 April 2020, for a period of five years with two optional 12-month extensions, at an estimated annual value of £220,000 and a total estimated value of £1,540,000.

3. Background

- 3.1 The Homelessness Prevention Commissioning Plan, approved by the Policy and Strategy Committee on 6 September 2011, set out the need to prevent homelessness, wherever possible, and where people do become homeless, for services to help people to resolve their homelessness as quickly and effectively as possible.
- 3.2 The Commissioning Plan also set out the requirement to provide a range of services, which are flexible and effective, for people with a range of needs.
- 3.3 The Council requires a service, known as Support to Establish a Home, to assist individuals on low incomes to access household items needed to establish and sustain a home and further support them to live independently and develop social networks.
- 3.4 The framework has not been tendered since 2009. As part of the development of contracts under the Commissioning Plan it has now been re-tendered.

4. Main report

- 4.1 In October 2018, a Prior Information Notice (PIN) was published on Public Contracts Scotland (PCS) to invite providers or those with an interest in homelessness and support, to attend a co-production event.

- 4.2 This event took place on 1 November 2018 and 3 organisations attended. The purpose of the meeting was to discuss ways to provide services and was conducted in a conversation/café style format.
- 4.3 The providers who attended the co-production event were given the opportunity to preview and comment on the new specification. These comments were addressed, and adjustments were made, where possible, to the specification.
- 4.4 The service area responded with a document called “You said, we did” in May 2019 to ensure all interested parties, that attended the co-production event, received feedback.
- 4.5 The tender was published on Public Contracts Scotland on 19 July 2019, as set out in the Public Contracts (Scotland) Regulations 2015.
- 4.6 The procurement process followed an open tendering procedure to ensure maximum competition.
- 4.7 Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD). Within the ESPD, suppliers were measured against a set of pass/fail criteria relating to essential characteristics and capabilities that they must adhere to in order to participate in the next stage of the tender process.
- 4.8 A quality/cost ratio of 60%/40% was applied to ensure that quality was of a high standard whilst also ensuring value for money.
- 4.9 Of the 25 suppliers that noted interest in the Contract Notice, tenders were received from two providers. Both bids were deemed to be compliant and subsequently evaluated.
- 4.9 Following completion of the quality analysis, the suppliers’ bids were subjected to cost analysis and had to submit an overall price to deliver the complete service incorporating all furnishings and support service.
- 4.10 A summary of tendering and the tender evaluation process is attached at Appendix 1 with the consortium Gateway to Homes and Communities providing the most economically advantageous tender.

5. Next Steps

- 5.1 Subject to approval, contract award documentation will be prepared and issued for the framework start date of 1 April 2020.
- 5.2 In line with the Procurement (Scotland) Regulations 2016, the Council will issue an award notice on Public Contracts Scotland.
- 5.3 The framework will be managed by a Commissioning Officer from Homelessness & Housing Support: Partnership & Planning Service who will track spend and delivery of the framework and monitor community benefits, management information and application of key performance indicators throughout the framework term.

6. Financial impact

- 6.1 The framework value is estimated at £1,540,000, over the contract period including extensions.
- 6.2 It is a condition of this framework that the pricing is fixed for five years and any subsequent price increases must not exceed the Consumer Price Index.
- 6.3 The Housing Revenue Account will provide 88% of funding for this framework for new Council tenants.
- 6.4 A benchmarking exercise was conducted on the spend for 2018-19 compared with the new framework pricing. The result of the benchmarking demonstrates savings of 9.59% - £23,345 per annum based on current spend forecasts over the five year fixed pricing period.
- 6.5 The costs associated with procuring this framework are estimated to be £10,001-£20,000.

7. Stakeholder/Community Impact

- 7.1 Consultation and engagement has been undertaken by way of a questionnaire to service users of the existing contract.
- 7.2 An Integrated Impact Assessment has been completed and all recommendations have been addressed.
- 7.3 The outcome of awarding this framework will be to ensure new tenants who have been homeless will have the furnishings they need, in order to move in with the aim of sustaining their tenancy.
- 7.4 This procurement has adhered to the policy on Sustainable Procurement and Implementing Community Benefits guidance. The provider will be required to provide community benefits in line with the value of the framework. The benefits will be agreed at framework commencement and monitored throughout the life of the framework by the contract manager.
- 7.5 It is a mandatory requirement that the provider and their staff minimise the impact of the delivery of the services on the environment.
- 7.6 The provider will endeavour to achieve the efficient use of energy and, where possible, to maximise the use of biodegradable or recycled products.
- 7.7 Both consortium members pay all staff the Scottish Living Wage as a minimum. The consortium members have Scottish Living Wage Accreditation.

8. Background reading/external references

- 8.1 Award of original contract - Contract for the provision of Homelessness Services (non-accommodation)
http://www.edinburgh.gov.uk/meetings/meeting/1381/finance_and_resources_committee

9. Appendices

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

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Contract Ref: CT2357 Homelessness Prevention: Support to Establish a Home	
Contract Period	1 April 2020 to 31 March 2025 with two optional 12 month extensions (5+1+1)	
Estimated Contract Value (including extensions)	£1,540,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	2	
Name of Recommended Supplier(s)	A consortium known as Gateway to Homes and Communities (made up of Bethany Christian Trust and Fresh Start)	
Price / Quality Split	Quality 60	Price 40
	Criteria	Weighting (%)
Evaluation Criterion and Weightings	Service Delivery	30%
	Organisational Structure	10%
	Practical Support	10%
	Meeting Key Performance Indicators & Targets/Performance Management	15%
	Continuous Improvement	10%
	Partnership Working and Communication	10%
	Fair Work Practices	10%
	Community Benefits	5%
	Zero Hours Contracts & the Living Wage	Information Only
	Evaluation Team	Council Officers from Homelessness Services with relevant experience.

Finance and Resources Committee

10am, Thursday 5 March, 2020

Renewal of NHS Service Level Agreements

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 The Finance and Resources Committee is asked to:
 - 1.1.1 approve the extension of Service Level Agreement contracts for children's services with the NHS, to the value of £790,000, listed at Appendix 1, from 1 April 2020.

Alistair Gaw

Executive Director for Communities and Families

Contact: Sean Bell, Senior Manager, Children with Additional Support Needs

E-mail: sean.bell@edinburgh.gov.uk | Tel: 0131 123 4567

Renewal of NHS Service Level Agreements

2. Executive Summary

- 2.1 This report is to request approval for:
 - 2.1.1 the award of three years funding to the total value of £300,000 (£100,000 per annum) for NHS services supporting enhanced integrated support for children and young people with additional support needs.
 - 2.1.2 the extension of one-year funding arrangements to the value of £170,000 for NHS services supporting enhanced integrated support for children and young people in Additional Support for Learning (ASL) provisions and Throughcare and Aftercare (TCAC) services.
 - 2.1.3 the extension of three months funding arrangements to the value of £330,000 for NHS CAMHS Services and delivery of Occupational Therapy and Speech and Language Therapy in mainstream and special schools' provisions.
- 2.2 The total value of the agreed funding arrangements equates to £790,000.

3. Background

- 3.1 The Council currently commissions the NHS to provide a number of enhanced services to children and young people as detailed in in the main report. Some of these arrangements have been jointly reviewed during financial year 2019-20 and are deemed appropriate to continue as outlined in appendix 3. Delivery and performance are considered fit for purpose and in line with the Scottish Government's strategic priorities for Getting it Right for Every Child.
- 3.2 Some arrangements are still under review and will be fully evaluated during financial year 2020-21.

4. Main report

- 4.1 The Children and Young People (Scotland) Act 2014 places a duty on the Education authority to make appropriate arrangements for identifying those children for whose school education they are responsible, who may have additional support needs.

Appropriate agencies have a duty to help the education authority discharge their duties. NHS Lothian and the Education Authority (the Council) collaborate to meet children's additional support needs, promoting integrated working across agencies in assessment, intervention, planning, provision and review.

- 4.2 The Act requires Councils and the NHS to ensure that children's services are provided in ways which:
 - 4.2.1 best safeguard, support and promote the wellbeing of children
 - 4.2.2 ensure that any action to meet needs is taken at the earliest appropriate time
 - 4.2.3 take appropriate action to prevent needs arising.
- 4.3 Considering this, the Council commissions additional services to ensure that children have timely access to health services appropriate to their additional support needs at school and early years. This also ensures that children can experience seamless support where they may require a range of health and educational support for complex needs, for example, consistent approaches to moving and handling for children who require high levels of physical support in everyday living.
- 4.4 The funding for these services adds value to what is already being provided by NHS Lothian under statutory duties. The services are provided with the aim of enhancing pupils' access to the curriculum and maximising educational achievements, literacy and social development.
- 4.5 These services include:
 - 4.5.1 Allied Health Professional services, principally Speech and Language Therapy for children and young people in school.
 - 4.5.2 Specialist assessment, advice and staff training for children who require high levels of physical assistance in school
 - 4.5.3 A contribution towards the Prepare team costs. Prepare is a multi-agency team providing social work and medical support to pregnant women with complex substance misuse. The team is highly successful in supporting women to stabilise their drug use leading to better health and long-term care outcomes for babies.
 - 4.5.4 Medical support for young people who are previously looked after by the local authority
 - 4.5.5 Mental health support for Looked After and Accommodated children and young people.

5. Next Steps

- 5.1 The request for one-year renewal for services listed in appendix 3 is due to a full review of the current SLA that the Local Authority is undertaking with a focus on

improving wellbeing outcomes, and to report on how the two partners are improving those outcomes.

- 5.2 The request for three months renewal for services listed in appendix 3 is due to a full review of the current SLA that the Local Authority has undertaken in collaboration with the NHS. A full report on the results and the recommendations will be submitted for consideration and approval prior to the beginning of academic year 2020-21. To ensure and improve consistency and delivery of the integrated children's services, it is deemed appropriate by both partners to align the service delivered in schools with the academic year (August – June).
- 5.3 Approval for a short-term extension is therefore being sought.

6. Financial impact

- 6.1 The total value of the agreements' renewal is £790,000. Details of the financial impact of each service provision are listed in Appendix 1.
- 6.2 In addition, the cost of individual care packages in 2018/19 was £85K. We anticipate, in the light of rising levels of children with complex needs, this will increase. At this stage, we envisage this would be a maximum of £100K.
- 6.3 Budgetary provision exists for these commitments.

7. Stakeholder/Community Impact

- 7.1 The services provided under these Service Level Agreements are responding to the need for effective integrated support and early intervention for children at school and key targeted services.
- 7.2 Council Standing Orders normally require competition for these values, however best value in this instance is achieved through maintaining collaborative working relationships with the NHS.
- 7.3 There are no adverse environmental outcomes arising from this report

8. Background reading/external references

- 8.1 Guidance on partnership working between allied health professions and education
- 8.2 The Education (Additional Support for Learning) (Scotland) Act 2004
- 8.3 The Children and Young People (Scotland) Act 2014
- 8.4 Getting it Right for Looked After Children and Young People Strategy

9. Appendices

9.1 Appendix 1 Proposed NHS Budgets

Appendix 1

Proposed NHS Budgets 2020/21

- The cost for the three months extension of the Service Level Agreement for Speech and Language Therapy is £280,000.
- The cost for the Therapy Inclusion Programme is £12,538.
- The cost for Moving and Handling Service for children requiring physical assistance is £100,800.
- The cost for the Through Care and After Care Nurse is £50,247
- The cost for the Occupational Therapy post is £51,615 per annum
- The cost for the Prepare nurse is £44,870 per annum
- The cost for CAMHS services is £53,459.

Description	Budget	Award
CAMHS - Edinburgh Connect	£35,661	3 months
CAMHS - Young People's Service nurse	£17,798	1 year
Speech and Language Therapy	£280,000	3 months
Therapy Inclusion Project (TIP)	£12,538	3 months
Moving and Handling	£100,800	1 year
TCAC Nurse	£50,247	1 year
Occupational Therapy - Early Years	£51,615	3 years
Prepare nurse	£44,870	3 years
Other Total	£593,529	
		£790,000

Finance and Resource Committee

10am, Thursday, 5 March 2020

Edinburgh PSP Phase Two Extension and Thrive Edinburgh Procurement Process

Routine
Wards
Council Commitments

1. Recommendations

It is recommended that the Finance and Resources Committee:

- 1.1 Approve the extension of current contract agreements under the Edinburgh Wellbeing Public Social Partnership (PSP) Phase one for an additional six months at maximum total cost of £1,055,000. This is to support extension of the agreed procurement process with new contracts being in place by 1 October 2020.

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

Contact: Dr Linda Irvine Fitzpatrick

E-mail: linda.irvinefitzpatrick@nhslothian.scot.nhs.uk

Tel: 07815592362

Wellbeing Public Social Partnership – Phase Two

2. Executive Summary

- 2.1 This report seeks approval from the committee to:
- 2.1.1 Approve the extension of the current Wellbeing PSP contracts until 30 September 2020 (as detailed in Appendix 1; this covers the period 1 April 2020 to 30 September 2020). The total value is £1,055,000.
 - 2.1.2 This will enable the procurement process to be extended with all new contracts in place by 1 October 2020. (Appendix Two sets out the resource envelope) for the Thrive Procurement Process).

3. Background

- 3.1 The Edinburgh Mental Health Wellbeing PSP was initiated by the Edinburgh Integrated Joint Board (EIJB) in August 2016. The Finance and Resource Committee awarded 28 contracts to 18 service providers in September 2017 for the period 1 November 2017 to 31 October 2019. Two of those providers surrendered the funding allocated and the funds were re-distributed to other member organisations within the PSP.
- 3.2 Public Social Partnerships (PSPs) are strategic partnering arrangements, based on a co-production approach, through which the public sector can connect with all stakeholders including people who use services and their carers, third sector (voluntary, charitable, and social enterprise) organisations and share responsibility with them for designing and delivering services in ways which meet identified service user needs.
- 3.3 The PSP also links with statutory services to evolve better outcomes for service users. As an outcome of this, Finance and Resources were requested in May 2019 to extend the current contract agreements for a further five months, to allow alignment of all future funding to be combined into a single procurement process. The intention to use the 4 months flexibility would have enabled the agreed timeline for the procurement process to be met.

4. Main report

- 4.1 In September 2019, a Prior Information Notice (PIN) was published to invite interested providers to a Co-production event on 18 September 2019. The event described the new concept with the aim to deliver a range of services and programmes to support the delivery of Edinburgh Thrive Centres and Networks which are a key development in the city’s Thrive Edinburgh Strategy for Mental Health and Wellbeing. The Thrive Edinburgh Strategy is building on the work and relationships achieved to date through the Edinburgh Mental Health Wellbeing Public Social Partnership which facilitated a test of concept and change in service delivery arrangements in collaboration with eighteen Third Sector providers.
- 4.2 The event described the outcomes and the tender process. It also stated that the Council welcomed consortium-based bids and as such, hoped that organisations network as part of the event. Additional training was provided in October and November by EVOG and Partnership4Procurement with the aim to have organisations bid ready. FAQ and draft specifications have been published in advance for comment and co-production purposes.
- 4.3 The Competitive Procedure with Negotiation was published on 16 December 2019 with a tender return date of 7 February 2020.
- 4.4. The intention is to create “open access’ Thrive Welcome Teams and networks in each locality. These have the potential to improve outcomes for people by making sure that people get help when needed, promoting the principle of prevention and early intervention and form a central component of the Thrive Edinburgh Strategic Commissioning Plan for Mental Health.
- 4.5 The total maximum annual value of contracts to be awarded is £2,610.000. There are nine lots summarised below:

Lot	Max Amount	Short Description
Thrive Welcome Teams (one in each locality)	Up to £888,000 (up to 222,000 per Locality)	Employment of Thrive Welcome Workers and Peer Workers
Thrive Collectives		Directly commissioned services which the Thrive Welcome Team can facilitate easy access to
Thrive Locality Team (one in each locality)	Up to 730,000 (up to 183,000 per locality)	Includes emotional and psychological support; reflecting characteristics of local population
Places and Spaces	Up to 540,000	Providing safe places for people to connect that are inclusive but not exclusive; maximising use of the city’s assets; include a focus on evening and weekend opening
Physical Activity and Green Spaces	Up to 250,000	Maximising city’s assets

Arts and Creativity	Up to 65,000	Delivering to a year-long “A Sense of Belonging Arts Programme”, administering a grants programme and maximising the city’s cultural assets
Peer Development	Up to 50,000	Community of practice to support development of peer workers and peer work across the city
Service User Led Research	Up to 30,000	To ensure there are increased opportunities for service user-led research which reflect the priorities identified by the Thrive Partnership.
Carers Support	Up to 32,000	Supporting carers as new services are developed
Service User led Support Groups	Up to 25,000	To support peer led self-help / support groups for people with mental health conditions
Total	Up to £2,610,000	

- 4.6 As part of the tender process, there is a question and answer function within Public Contracts Scotland and a potential bidder requested an extension on the tender deadline date. The provider stated that they required the additional time to confirm that their partnership bid was agreed by all relevant organisational boards and to ensure that their bid met the full requirements of the specification.
- 4.7 The request for more time was considered and the risks associated with not allowing the additional time, outweighed the delay to the process. It was deemed necessary to add a further 4 weeks, until 9 March 2020, to the tender process. This extension has been proposed to ensure that all bids (especially partnerships) should be in the best interests of the service users by encouraging a diverse range of services; as reflected within the specifications and the questions with the tender submission. We hope the extension allows partnerships to be formed which bring together approaches and organisations in order to achieve the optimum outcomes for the people of Edinburgh.

5. Next Steps

- 5.1 The extension to the tender submission date will enable all bids to be evaluated in full. However this had a direct impact on the timeline for all processes; such as resource for the evaluation of the tender submissions, consensus meetings, the negotiation with all providers and indeed for award recommendations to be made at the next Finance and Resource Committee (now estimated to be scheduled for August 2020).
- 5.2 Current contracts will be required to be extended with current providers to allow the additional time required for this tender process to be completed in full.

6. Financial impact

- 6.1 The value of extending the contracts for Wellbeing PSP Phase from 1 April 2020 to 30 September 2020 is £1,055,000. The recommended contracts have been the subject of a direction by the Edinburgh Integration Joint Board to the Council. On this basis Finance and Resources Committee has the necessary authority needed to approve report recommendations.

7. Stakeholder/Community Impact

- 1.1 Stakeholder and co-production has been substantial throughout this process in. Stakeholders with lived experience are included in working groups, design groups and in the multi-agency Core group.

8. Background reading/external references

- 8.1 Waiver, Mental Health Wellbeing Services, Finance and Resources Committee, 1 December 2016.
https://democracy.edinburgh.gov.uk/Data/Finance%20and%20Resources%20Committee/20161201/Agenda/item_710_waiver_-_mental_health_wellbeing_services.pdf
- 8.2 Edinburgh Wellbeing Public Social Partnership, Edinburgh Integration Joint Board, 14 July 2017.
https://democracy.edinburgh.gov.uk/Data/Edinburgh%20Integration%20Joint%20Board/20170714/Agenda/item_56_-_edinburgh_wellbeing_public_social_partnership.pdf
- 8.3 Award of Contracts for the Delivery of Mental Health Wellbeing Services, Finance and Resource Committee, 5 September 2017.
https://democracy.edinburgh.gov.uk/Data/Finance%20and%20Resources%20Committee/20170905/Agenda/item_711_-_
- 8.4 Thrive Edinburgh Adult Health and Social Care Commissioning Plan 2019- 2022.
<https://democracy.edinburgh.gov.uk/documents/s4851/Combined%20Strategic%20Plan.pdf>

9. Appendices

- 9.1 Appendix 1 – Edinburgh Wellbeing PSP: Annual Contract Awards
Appendix 2 – Thrive Procurement Finance

Appendix 1 – Edinburgh PSP Annual Contract Awards

Locality PSP	Annual Value	Extension Value (6 months)
North East		
Support In Mind	164,000	82,000
NEECS	81,000	40,500
Link Up	60,000	30,000
Seasons * (CEC provided service)	36,000	18,000
North West		
Living Well	121,000	60,500
Pilton Community Health	53,000	26,500
Health in Mind	145,000	72,500
South East		
Barony Contact Point	151,000	75,500
Health in Mind	145,000	72,500
South West		
SAMHH	174,000	87,000
Health in Mind	105,000	52,500
Cyrenians	25,000	12,500
Broomhouse Space	5,000	2,500
Crisis Support		
Penumbra	400,000	200,00
Active and Green Spaces		
Cyrenians	10,000	5,000
ELGS	10,000	5,000
Edinburgh Leisure	80,000	40,000
Penumbra	90,000	45,000
Health in Mind	60,000	30,000
Peer Support Collaborative		
Penumbra – Plan to Change	145,000	72,500
Health in Mind	30,000	15,000
Cyrenians	5,000	2,500
Carr Gomm	5,000	2,500
CAPS	5,000	2,500
Total	2,110,000	1,055,000

Appendix Two: Thrive Procurement and Total Resource Envelope

Income Stream	Recurring Amount	Notes
Edinburgh Wellbeing PSP	1,679,000	Excludes: £400,000 (Crisis Centre) £36,000 (Seasons - CEC Service)
Action 15	931,120	Recurring from financial year 2020-2021
Total	2,610,120	

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Waiver for Extension of Managed Print Service

Executive/routine Wards Council Commitments	Executive
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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 Approves a ten-month extension of the current Managed Print Service at a cost of £800,000.

Stephen S. Moir

Executive Director of Resources

Contact: Jackie Galloway, Senior Digital Service Manager (Commercial)

Customer and Digital Services, Resources Directorate

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Waiver for Extension of Managed Print Service

2. Executive Summary

- 2.1 It recommended that the Finance and Resources Committee approve an extension to the current Managed Print Service contract with Xerox. This will allow completion of a tender exercise, award of contract and subsequent transition to a new contract which will include the physical replacement of printing devices and associated services.

3. Background

- 3.1 The current contract for a Managed Print Service was put in place in 2013 and expires at the end of April 2020.
- 3.2 The procurement exercise has been in place since January 2019 which has involved extensive scoping of the current provision and market offering. This process has identified significant “shadow IT” provision of print services and requirements which are being delivered outside the current contractual provision.

4. Main report

- 4.1 Currently the City of Edinburgh Council has a fleet of over 1500 contracted devices within its print provision. The majority of print spend, and output is associated with schools.
- 4.2 Whilst the trend of printing in the Council at large has been one of decline as electronic and various paperless strategies have come into place, within Schools colour printing has seen a substantial increase. This is significantly more expensive than black and white printing. The extension to the current contract will allow the Council time to work with the new supplier to put in place strategies and technologies to address this trend. The capacity and approach of the suppliers will be established through the tender process but is likely to involve a reduction of colour printers and print management software which will limit the ability of staff to print in colour.

- 4.3 There has been an expansion of print provision through smaller, off contract desktop printers, particularly in schools, which have a cost and service implication. It is intended that the new contract will capture this need and provide the provision where it is necessary for operational/confidentiality reasons.
- 4.4 It is intended that the new contract will develop the Council's Print Services offering which will provide more effective bulk printing for the schools. In addition, greater control will be placed through the associated services delivered by management software, better reporting, scan-to-email and secure "follow me" print service.
- 4.5 The process of tendering for this new service has been ongoing for over twelve months which has identified and overcome a number of hurdles to this project including;
- 4.5.1 Key personnel leaving the Council and subsequent handover of the tender requirements, including a Solutions Architect to provide a technical input to the project and manage the security risks associated with print devices;
- 4.5.2 Engagement with Learning and Teaching has been ongoing and identified a large variation of practice and significant levels of out of contract print devices; and
- 4.5.3 Regardless of the outcome of a tender it has been demonstrated historically that a rollout programme will take six months to a year and will need to accommodate the school timetable.

5. Next Steps

- 5.1 An extension to the current contract is recommended to complete a tender exercise using the Scottish Government's Office Equipment Framework.
- 5.2 Regardless of outcome of this Framework it is anticipated that there will be a long changeover period as 1500 new devices and associated services are implemented throughout the Council. The implementation of the current contract took over a year. It is also expected that there are a number of printers which have been installed outside the current contract will need to be removed or replaced.
- 5.3 This Waiver presents a risk of challenge by other suppliers however this is mitigated as the intention is to use the extension period to complete a tender exercise and handover to a new contract.

6. Financial impact

- 6.1 The estimated value of this extension will be £800,000.

7. Stakeholder/Community Impact

- 7.1 Significant consultation with schools has been taking place as the largest user group by volume and spend. A preference for improved service levels has been expressed, however it will be necessary to seek to reduce colour printing in the future.
- 7.2 The energy usage of printers will be tested during the tender process to incentivise reduced power requirements. Biodegradable ink will be sought as standard throughout the fleet. The machines will as a minimum be able to operate with the Council's preferred recycled paper choice without any degradation of availability.

8. Background reading/external references

- 8.1 N/A

9. Appendices

- 9.1 N/A

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Provision of Lunches and Refreshments for Councillors

Executive/routine Wards Council Commitments	Executive
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1. Recommendations

- 1.1 That Committee instructs how the cost of Council lunches, and other associated refreshments, is addressed.

Stephen S. Moir

Executive Director of Resources

Contact: Peter Watton, Head of Property and Facilities Management

Property and Facilities Management Division, Resources Directorate

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Provision of Lunches and Refreshments for Councillors

2. Executive Summary

- 2.1 This report addresses a motion to Council, on 21 November 2019, by seeking instructions on how the cost of Council lunches and refreshments should be accounted for.

3. Background

- 3.1 On 21 November 2019, the Council approved the following motion:

Council notes:

1. That Councillors are paid according to the rates set by the Scottish Parliament.
2. At regular meetings of the Full Council, lunch is provided to councillors and staff attending the meeting.
3. A light lunch is provided to councillors and staff taking part in all-day meetings of the Licensing Board and the Regulatory Committee's Licensing Sub-Committee.
4. Food and refreshments, i.e., tea and coffee, are sometimes provided for internal meetings of councillors.
5. No contributions are sought from councillors or staff in connection with 2, 3 and 4 above.

Council accepts there are legitimate reasons for the provision as described above, principally to ensure efficient time management for the meeting participants and to protect the meeting participants from undue lobbying.

Council therefore agrees to:

1. Continue the practice of providing lunches and refreshments as described above to ensure the smooth running of Council business; and,
2. Request a report to the Finance and Resources Committee within two cycles to explore options of a simple mechanism which could facilitate councillors' contributions to cover the direct cost of lunches and refreshments provided.

3.2 The purpose of this report is to address the above motion.

4. Main report

4.1 The current cost of providing a lunch for a Council meeting is £550, which is charged to the Members Services budget. This equates to 80 servings at £6.87 per head. Analysis of F/Y budget indicates that £12,480 was also spent on refreshments in the members lunch, again charged to the Members Services budget.

4.2 In preparation for this report, officers completed a straw poll of other Council arrangements as below:

- Stirling and Fife Councils – charge member services;
- South Lanarkshire and East Ayrshire Councils – no provision offered; and,
- Argyll & Bute and West Dunbartonshire Councils - recharge elected members.

4.3 Consequently, there is no consistency or pattern with each local authority making their own arrangements.

4.4 Each Political Group was consulted, and the formal feedback was as follows:

- Three Groups prefer the status quo as it provides for collegiality and convenience. One Group stated that if there is any change to the status quo then lunches should be scrapped;
- One Group is in favour of charging but indicated that the majority of the Group concerned will opt out;
- One Group is in favour of scrapping the provision and/or individual Councillors paying;
- One Group is in favour of charging Groups with full cost recovery for lunches and any refreshments to Groups for internal meetings plus the withdrawal of biscuits from the members lounge;

4.5 As there is no consensus however, based on numbers, the majority view of the Political Groups is to retain the status quo. Council officers who currently participate in Council meetings will equally abide by the decision of the Finance and Resources Committee.

5. Next Steps

5.1 The decision that the Committee determines to implement will be effective from the next meeting of Full Council.

6. Financial impact

- 6.1 The financial cost is highlighted in paragraph 4.1 of this report. There can be no additional financial impact as any option could not incur more cost.

7. Stakeholder/Community Impact

- 7.1 All political group and independent councillor were given the opportunity to contribute to the potential outcomes.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

- 9.1 N/A

Finance and Resources Committee

10.00am, Thursday 5 March 2020

Contract Award and Procurement Programme (Period 1 July to 31 December 2019)

Item number	
Executive/Routine	Routine
Wards	All
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

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Finance Division, Resources Directorate

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Contract Award And Procurement Programme (Period 1 July to 31 December 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 July to 31 December 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 – 1,392 live contracts (at 13 January 2020); and
 - Approximately 6,440 suppliers, 1,250 requisitioners and 700 approvers on the Council's Oracle purchasing system (at 13 January 2020).
- 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 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 continue 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 on the scope of contracts awarded by officers under delegated authority across the Council in the period 1 July to 31 December 2019 and provides visibility of the forthcoming procurement programme in relation to expected higher value contracts across the Council. Information is as recorded on the Council's Contract Register as at 13 January 2020.
- 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.

Table 1 Contracts Awarded under Delegated Authority

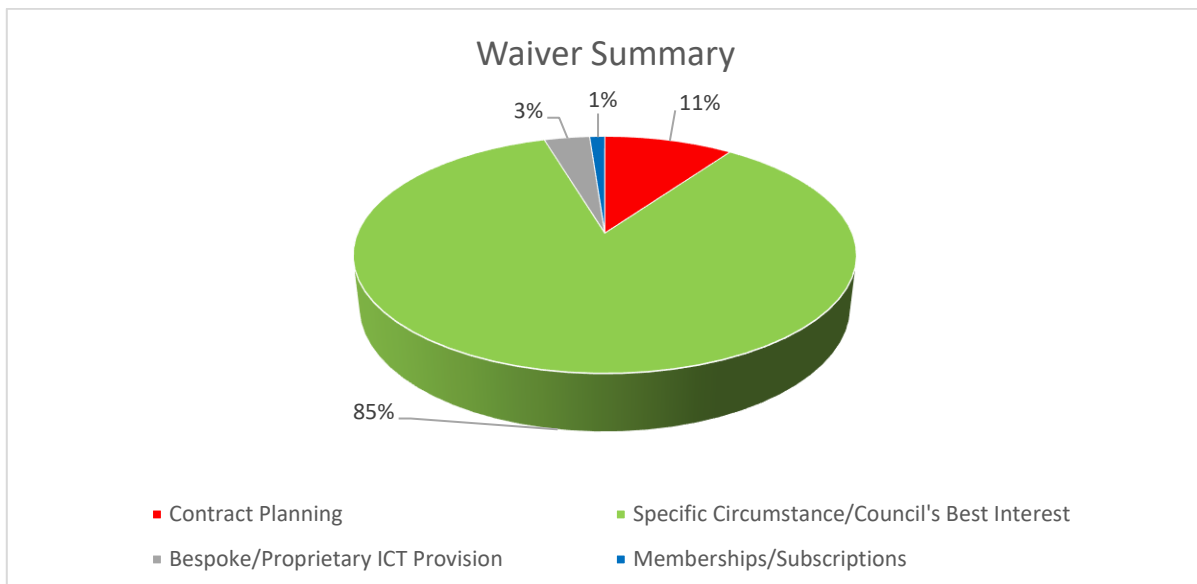
Directorate	Total Contract Value 1 July – 31 December 2019
Chief Executive's Service	£900,000
Communities and Families	£15,491,466
Health and Social Care	£780,038
Place	£25,245,280
Resources	£29,265,091
De Minimis Value Contracts (Under £25,000)	£908,514
	£72,590,389

- 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 82 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.
- 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 July – 31 December 2019	
	Delegated Authority	Committee Approval
Chief Executive's Service	£225,347	-
Communities and Families	£2,217,502	£308,533
Health and Social Care	£119,228	-
Place	£1,519,227	£9,076,337
Resources	£517,726	-
Total	£4,599,030	£9,384,870

- 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.
- 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 (85%) 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 3% 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 24% of waivers below £10,000, 62% of waivers below £25,000 and 86% below £50,000. 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-five (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 or Scottish procurement regulations. 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 the relevant legislative framework.
- 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 \(Period 1 January – 30 June 2019\)](#)
– Report to Finance and Resources Committee, October 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 July – 31 December 2019.

Supply of Goods and Service Contracts

Date	Directorate	Chief Executive's Service	
	Supplier	Contract Description	Value
16/12/2019	Spirit Media Scotland Limited	Media planning, buying and associated services via Framework.	£800,000
27/12/2019	APS Group Scotland Ltd	Provision of publishing, print, design and associated services via Framework.	£100,000
			£900,000

Date	Directorate	Communities and Families	
	Supplier	Contract Description	Value
30/07/2019	Community Integrated Care	Specialist care for a young person.	£892,866
31/07/2019	Framework – Multiple Suppliers	Framework agreement for the provision of accommodation for homeless service users.	£5,000,000
05/08/2019	The Scottish Government	Education licence, blanket permissions to copy and reuse content from print and digital publications.	£114,429
12/08/2019	Northumberland County Council	Specialist school placement for a child.	£50,000
12/08/2019	Framework – Multiple Suppliers	Educational support for children in care.	£1,000,000
14/08/2019	Scottish Nursing Guild	Mental health support for children and young people.	£200,000
20/08/2019	Community Integrated Care	Specialist care for a young person.	£649,848
29/08/2019	Drake Music Scotland	Bespoke music workshops within schools.	£30,000
29/08/2019	National Youth Choir of Scotland	Music training for every Primary 3 child.	£57,750
25/09/2019	Playsafety Ltd	Annual independent inspection of outdoor play and fitness playgrounds.	£90,000
30/09/2019	Sacro	Wellbeing services for minority ethnic women.	£896,884

01/10/2019	Cyrenians	Residential care placements for young people who require supported accommodation.	£161,615
10/10/2019	Action For Children	Respite care for children.	£267,635
06/11/2019	Change, Grow, Live	Edinburgh and Midlothian offender recovery service.	£429,999
15/11/2019	SXL Framework – Multiple Suppliers	Framework for the supply and delivery of trade materials.	£195,000
15/11/2019	Aero Healthcare Ltd	Supply and delivery of first aid materials via SXL Framework.	£135,000
15/11/2019	SXL Framework – Multiple Suppliers	Framework for supply, delivery and installation of audio visual equipment.	£5,000,000
15/11/2019	SXL Framework – Multiple Suppliers	Framework for the supply and delivery of power tools.	£35,000
15/11/2019	SXL Framework – Multiple Suppliers	Framework for the supply and delivery of building materials.	£215,000
15/11/2019	Eskimo Designs Ltd	Rebuild of 'Our Town Stories' website.	£41,440
01/12/2019	Bethany Christian Trust	Rough sleeper link officers.	£29,000
			£15,491,466

Date	Directorate	Health and Social Care	
	Supplier	Contract Description	Value
05/08/2019	Girbau UK Limited	Rental and maintenance of laundry equipment for five care homes via ESPO Framework.	£195,120
10/10/2019	Prism UK Medical Limited	Supply and maintenance of stairlifts, step lifts and floor lifts via Framework – Lot 1.	£295,372
10/10/2019	Prism UK Medical Ltd	Supply and maintenance of ceiling track and gantry hoists via Framework – Lot 2.	£108,680
10/10/2019	Closomat Ltd	Supply and maintenance of toilets via Framework – Lot 3.	£180,866
			£780,038

Date	Directorate	Place	Value
	Supplier	Contract Description	
02/07/2019	Framework – Multiple Suppliers	Transport traffic management measures for substantial works and in emergency situations.	£387,097
19/07/2019	G4S Secure Solutions (UK) Limited	Security for Summertime Streets programme via SXL Framework.	£52,226
19/07/2019	David Narro Associates Ltd	Structural engineering services via Framework - Bowling Green development Powderhall.	£77,875
24/07/2019	HarrisonStevens Limited	Westside Plaza design services.	£84,900
25/07/2019	African Connections CIC	Multicultural event for 2019 and 2020 in North Edinburgh.	£90,000
25/07/2019	Currie & Brown UK Limited	Project Management services via Framework - Energy Efficient Street Lighting Programme.	£102,341
26/07/2019	Corgi Technical Services Limited	Provision of gas auditing services to citywide properties – FY 2019/20.	£118,534
01/08/2019	Cushman & Wakefield Debenham Tie Leung Limited	Commercial procurement advisory services via Framework, Edinburgh BioQuarter.	£72,000
20/08/2019	Robertson Construction Group Limited	Pre-construction activities related to the feasibility for tram cycle improvements.	£33,709
21/08/2019	IMG Artists UK Ltd	Payment to agents of musicians playing at Cultural Venues.	£150,000
13/09/2019	Daimler Fleet Management UK Limited	Electric vehicles leased via Framework, grant funded.	£198,535
17/09/2019	A & P Chambers Ltd	Saughton Park people, cycle and car counter system installation and monitoring.	£37,803
18/09/2019	SRUC	Pesticide awareness and handling training.	£26,195
19/09/2019	Fuellink Contracts Ltd	Fuel management system and maintenance of fleet fuel facilities.	£85,979
30/09/2019	RIX Petroleum (Scotland) Limited	Supply of liquid fuels - gas oil.	£137,500
01/10/2019	Car Hire Ltd t/a Days Fleet	Lease of five electric vehicles via Framework, grant funded.	£56,516
01/10/2019	City Health Clinic Limited	Driver medicals for taxis and private hire vehicles.	£448,000
03/10/2019	Levenseat Ltd	Treatment and disposal of mechanical street sweepings and gully waste via SXL Framework.	£842,037
07/10/2019	Summers-Inman Construction and Property Consultants LLP	Building surveying services via Framework, capital and repairs programmes.	£100,000

10/10/2019	Aecom Ltd	Structural engineering services via Framework, Dolphinton Slip - Bus Lane.	£29,688
11/10/2019	Firm of James Lawrie	Emergency road gritting and snow clearance for Ratho and Dalmahoy areas.	£50,425
16/10/2019	Redpath Tyres Ltd	Supply and fitting of tyres for fleet vehicles and plant, via SXL Framework.	£424,000
18/10/2019	Aecom Limited	Flood study of the Niddrie Burn catchment area.	£35,563
23/10/2019	Aecom Limited	Structural engineering services via Framework, design of nineteen schemes.	£710,939
28/10/2019	Whale Tankers Ltd	Supply of gully vehicles for Edinburgh Road Services.	£515,877
29/10/2019	Currie & Brown UK Limited	Quantity surveying services via Framework, capital and repairs programmes.	£100,000
15/11/2019	Framework – Multiple Suppliers	Framework for the supply and delivery of aluminium street lighting columns.	£800,000
19/11/2019	Johnston Sweepers Ltd	Supply of electric sweeper, part grant funded.	£368,615
22/11/2019	Aecom Limited	Fire engineering services via Framework.	£89,825
02/12/2019	Antevorte Ltd	Classroom based training for staff who may undertake surveillance.	£38,500
06/12/2019	Research Resource Scotland Ltd	Housing services focus group programme.	£28,480
06/12/2019	Allsports Construction and Maintenance Ltd	Supply and installation of play park equipment and surfacing for Hunters Hall and Jack Kane Centre.	£128,507
11/12/2019	Lookers Plc	Purchase of thirty-two electric vehicles, part grant funded.	£553,953
12/12/2019	Thomas & Adamson	Project Management services via Framework, Fountainbridge, plot E2.	£31,845
12/12/2019	Thomas & Adamson	Project Management services via Framework, Fountainbridge, enabling, utilities and diversions.	£47,100
12/12/2019	RSP Consulting Engineers LLP	Mechanical & electrical professional services via Framework, Powderhall.	£40,253
12/12/2019	Collective Architecture Limited	Architectural services via Framework, Powderhall.	£155,827
12/12/2019	Framework – Multiple Suppliers	Tree planting and watering Framework.	£400,000
18/12/2019	Jacobs UK Ltd	Integrated Impact Assessment for Low Emission Zones via SXL Framework.	£29,995

19/12/2019	T B MacKay Energy Services Ltd	Citywide provision of plumbers for capital works to supplement in-house Council team.	£25,000
19/12/2019	T B MacKay Energy Services Ltd	Citywide provision of gas engineers for capital works to supplement in-house Council team.	£25,000
19/12/2019	Bell Decorating Group Ltd	Citywide provision of painters for capital works to supplement in-house Council team.	£25,000
19/12/2019	First Call Trade Services Limited	Citywide provision of joiners for capital works to supplement in-house Council team.	£25,000
19/12/2019	First Call Trade Services Limited	Citywide provision of electricians for capital works to supplement in-house Council team.	£25,000
20/12/2019	Jacobs UK Ltd	Transport modelling for Low Emission Zones via SXL Framework.	£36,700
24/12/2019	JHM Butt & Co Ltd	Supply and installation of fleet workshop equipment, Seafield depot, Edinburgh.	£155,671
			£7,998,010

Date	Directorate	Resources	
	Supplier	Contract Description	Value
17/07/2019	Newfuture.me	Outplacement support services for staff to transition into new roles across the Council.	£68,980
05/08/2019	Will Rudd Davidson Edinburgh Ltd	Structural engineering services via Framework, Darroch House refurbishment.	£95,760
05/08/2019	Doig & Smith Limited	Quantity Surveying services via Framework, Darroch House refurbishment.	£54,600
06/08/2019	Doig & Smith Limited	Quantity Surveying services via Framework, Broomshill, Canaan Lane & Victoria Primary schools.	£233,458
06/08/2019	Blackwood Partnership Limited	M & E professional services via Framework, Broomshill, Canaan Lane & Victoria Primary schools.	£490,262
06/08/2019	Holmes Miller Limited	Architectural services via Framework, Bangholm Sports and Performing Arts Facility.	£155,020
06/08/2019	Will Rudd Davidson Edinburgh Ltd	Structural engineering services via Framework, Bangholm Sports and Performing Arts Facility.	£85,373
06/08/2019	Blackwood Partnership Limited	M & E professional services via Framework, Bangholm Sports and Performing Arts Facility.	£56,616
06/08/2019	Doig & Smith Limited	Project Management services via Framework, Bangholm Sports and Performing Arts Facility.	£107,840
06/08/2019	RSP Consulting Engineers LLP	M & E professional services via Framework, Kirkliston Leisure Centre expansion.	£32,406
06/08/2019	Anderson Bell Christie Limited	Architectural services via Framework, Kirkliston Leisure Centre expansion.	£56,100
07/08/2019	Corporate Travel Management Ltd	Public sector travel and venue solutions via Scottish Government Framework.	£450,000
09/09/2019	Framework – Multiple Suppliers	Revenues processing service in respect of Council Tax and national non-domestic rates.	£664,640
23/09/2019	Ross Quality Control Limited	Clerk of Works services via Framework, St Crispin's School.	£71,318
01/10/2019	Framework – Multiple Suppliers	Asbestos service support.	£100,000
01/10/2019	E.D.P. Health, Safety and Environment Consultants Limited	Asbestos records update.	£57,200
07/10/2019	Crawford & Company Adjusters (UK) Limited	Provision of loss adjusting services.	£131,685
01/11/2019	SHE Software Ltd	SHE Assure software management system for health and safety incident reporting and recording.	£133,833
18/11/2019	Firefly Leadership Ltd	Coaching partner to support leadership development across the Council.	£28,400

19/11/2019	Doig & Smith Limited	Quantity Surveying services via Framework, WHEC - Wave 4.	£60,000
02/12/2019	Doig & Smith Limited	Project Management services via Framework, WHEC sports block.	£60,000
05/12/2019	Reuters Limited	Online system to provide financial market information.	£120,000
			£3,313,491

Works Contracts

It is noted there were no works contracts awarded by the Chief Executive's Service, Health & Social Care or Communities and Families Directorates.

Date	Directorate	Place	Value
	Supplier	Contract Description	
16/07/2019	Nicholson Bros Electrical	Emergency lighting to high rise blocks 19-20B via multiple supplier Framework.	£334,214
26/07/2019	Engie Regeneration Limited	Refurbishment of kitchen & bathrooms via multiple supplier Framework.	£1,468,568
29/07/2019	Diack and Macaulay Limited	Easter Road bridge strengthening.	£136,600
08/08/2019	Everwarm Ltd	Loft insulation south west via multiple supplier Framework.	£217,691
15/08/2019	Framework – Multiple Suppliers	Forestry and arboriculture works.	£273,040
30/08/2019	Martec Engineering Group Ltd	Door entry systems to south 153 blocks via multiple supplier Framework.	£1,604,018
06/09/2019	Tarmac Trading Limited	Lower Granton Road carriageway resurfacing via Transport and Infrastructure (TI) Framework.	£120,014
23/09/2019	Barhale Limited	Fountainbridge enabling works.	£50,000
25/09/2019	VolkerLaser Ltd	Great Junction Street bridge strengthening works.	£413,973
01/10/2019	Everwarm Ltd	External wall insulation Sighthill via SXL Framework.	£560,000
01/10/2019	Everwarm Ltd	External wall insulation Drylaw via SXL Framework.	£630,000
01/10/2019	BCA Insulation Ltd	External wall insulation Drylaw - Wilson non-traditional block via SXL Framework.	£653,774
01/10/2019	Everwarm Ltd	External wall insulation West Mains - Blackburn properties via SXL Framework.	£946,000
15/10/2019	L&D Plumbing & Tiling Services Ltd	Kitchen and Bathroom upgrades North A - 2019-20 via Framework.	£704,917
24/10/2019	Sers Energy Solutions (Scotland) Limited	External wall insulation Wilson blocks – Drylaw via SXL Framework.	£343,000
24/10/2019	Everwarm Ltd	Cavity wall and loft insulation installations Citywide PH2 via multiple supplier Framework.	£379,553

24/10/2019	Everwarm Ltd	Loft insulation Citywide via multiple supplier Framework.	£608,315
24/10/2019	Everwarm Ltd	Cavity wall insulation Citywide via SXL Framework.	£777,400
25/10/2019	Engie Regeneration Limited	Kitchen and bathroom upgrades of Council properties via multiple supplier Framework.	£1,517,377
07/11/2019	Barhale Limited	Fountainbridge enabling works, part B.	£1,116,505
11/11/2019	VolkerLaser Ltd	Morrison Street bridge strengthening works.	£247,530
12/11/2019	Maxi Construction Ltd	Fire door-set renewal and general fire proofing work via Framework.	£832,215
14/11/2019	Boston Networks Ltd	Wireless network Greendykes House (conciierge hub) and associated blocks.	£32,328
14/11/2019	Boston Networks Ltd	CCTV video management system replacement Greendykes House.	£33,048
21/11/2019	Barhale Limited	Coltbridge viaduct refurbishment works.	£573,652
11/12/2019	Maclay (Civil Engineering) Limited	Marine Drive carriageway and footway resurfacing via TI Framework.	£257,661
13/12/2019	CCG Scotland Ltd	Installation of kitchen and bathrooms via multiple supplier Framework.	£1,547,161
27/12/2019	Nicholson Bros Electrical	Electrical refit and rewire via multiple supplier Framework.	£868,716
			£17,247,270

Date	Directorate	Resources	
	Supplier	Contract Description	Value
04/07/2019	Morris & Spottiswood Ltd	Granton Primary School refurbishment works via Contractor Works (CW) Framework.	£801,619
04/07/2019	Morris & Spottiswood Ltd	Kirkliston Primary School refurbishment works via CW Framework.	£1,099,603
08/07/2019	GHI Contracts Ltd	Lagganlia Outdoor Centre - windows replacement and M&E external works via CW Framework.	£437,847
09/07/2019	Maxi Construction Ltd	Liberton Primary School and nursery – joinery and M&E via CW Framework.	£1,496,125
16/07/2019	WQS (UK) Ltd	Water quality works, various primary and secondary schools via CW Framework.	£416,585
19/07/2019	Go-Wright Ltd	Communal roof and internal repairs / replacement works, Lochend Avenue.	£67,615

24/07/2019	FES Support Services Limited	Mechanical installation works Ferrylee Home via CW Framework.	£236,595
25/07/2019	The Green Organisation Limited	Multi-trade works Stockbridge Primary School via CW Framework.	£720,272
02/08/2019	Clark Contracts Ltd	Multi-trade refurbishment works Roseburn Primary School via CW Framework.	£1,274,753
07/08/2019	Morris & Spottiswood Ltd	Multi-trade works Stenhouse Primary School via CW Framework.	£655,310
10/09/2019	Clark Contracts Ltd	Multi-trade separation works 329 High Street via CW Framework.	£203,538
12/09/2019	McLaughlin and Harvey Limited	Construction of St Crispin's School via CW Framework.	£13,716,326
13/09/2019	FES Support Services Limited	Electrical installation works, Murrayburn Primary School via CW Framework.	£1,278,306
16/09/2019	James Breck Ltd	Stonework and masonry works, James Gillespie's Primary School via CW Framework.	£150,486
17/09/2019	Go-Wright Ltd	Hugh McCulloch & Covenanters Monuments stone repairs via CW Framework.	£47,141
18/09/2019	Bridgewater Building Solutions Ltd	Asset management works to St Cuthbert's Primary School via CW Framework.	£872,781
19/09/2019	FES Ltd	Heating and lighting upgrade, Seafield Laboratory via CW Framework.	£339,734
02/10/2019	G Grigg and Sons Limited	Portobello Swim Centre refurbishment works via CW Framework.	£414,701
02/10/2019	Ashwood Scotland Ltd	Royal High Primary School multi-trade refurbishment works via CW Framework.	£831,115
22/10/2019	Servest Arthur McKay Limited	Prospect Bank Primary School boiler replacement works via CW Framework.	£181,266
07/11/2019	Barhale Limited	Boroughmuir High School enabling works, part C.	£324,512
27/11/2019	Dacoll Electrical Contracting Ltd	St Mark's Primary School electrical improvement works via CW Framework.	£385,370
			£25,951,600

Appendix 2 – Contracts awarded under the Waiver of CSOs by Delegated Authority

The following relate to the period 1 July – 31 December 2019.

Waiver No.	Directorate	Chief Executive's Service	
	Supplier	Justification for waiver	Value
Waiver 1799	Eagle Couriers Scotland Ltd	Delivery and uplift of election materials (European Election), costs fully recoverable.	£22,495
Waiver 1827	Barrachd Limited	Staff training relating to new ICT application associated with the Council's Cognos system.	£12,150
Waiver 1868	Delib Limited	Annual subscription to Citizen Space.	£7,995
Waiver 1970	Idox Plc	Polling software system for General Election 2019, costs fully recoverable.	£11,383
Waiver 2010	Access Intelligence Media and Communications Limited	Best interests, completion of contract.	£8,400
Waiver 2013	Idox Software Ltd	Printing of ballot paper and postal vote packs, costs fully recoverable.	£151,924
Waiver 2025	Sniffer	Provision of advice on carbon reduction as part of programme funded by the Scottish Government.	£11,000
			£225,347

Waiver No.	Directorate	Communities and Families	
	Supplier	Justification for waiver	Value
Waiver 1801	Sleep Scotland	Direct award of care services until such time as residential and special schools framework is established.	£40,000
Waiver 1804	M McHardy	Continuity of provision of counselling services.	£10,800
Waiver 1807	Cyrenians	Direct award of supported care provision whilst long term arrangements are put in place.	£40,000
Waiver 1808	Scottish Nursing Guild	Paediatric nurses on site at play scheme for children with disabilities.	£30,000
Waiver 1816	Caledonia Play	Bespoke wooden play equipment for Early Years Centre.	£12,745

Waiver 1829	Ellustration Ltd	Communication materials for the equity workstream of the South East Improvement Collaborative.	£5,000
Waiver 1830	St Margaret's Children & Family Care	Interagency fees for foster adoption matching services.	£40,270
Waiver 1831	The Award Scheme Ltd	Sole supplier of Duke of Edinburgh's Award welcome packs.	£35,000
Waiver 1832	C Booth Ltd	Production of The Risk factory (TRF) Workbook for schools.	£8,700
Waiver 1833	Imagine	Immersive theatre for Castlebrae High School.	£45,000
Waiver 1834	Humanutopia Limited	Equality training to all pupils at Royal High School.	£13,200
Waiver 1840	Bethany Christian Trust	Interim support to establish a home until procurement exercise is finalised.	£121,673
Waiver 1841	Dance Division Limited	Interim dance tuition as part of the current curriculum in schools until procurement exercise is finalised.	£20,000
Waiver 1842	Richmond Fellowship Scotland	Support and care provision to a young person.	£68,000
Waiver 1844	Cameron Veitch	Temporary accommodation for homeless people.	£16,800
Waiver 1845	The Williamson Group Ltd	Local supply of food for Lagganlia Outdoor Centre.	£30,000
Waiver 1859	Pivotal Education Limited	Staff training on how to change and improve pupil behaviour within the school.	£5,785
Waiver 1867	Sahellya	Extension to current contract to allow time for transition of staff and service users to new provider.	£50,729
Waiver 1882	Dr S Rieuwerts	Languages teaching support for implementation of Scottish Government 1+2 Approach to Learning.	£18,200
Waiver 1883	U-Evolve	Therapeutic programme for school children at Craigroyston High School.	£19,740
Waiver 1884	SCRAN Academy	Alternative learning curriculum support for young people at Craigroyston High School.	£44,074
Waiver 1887	Ardroy Outdoor Education Centre (AOEC)	Residential experience for young people as part of the champions board model.	£3,220

Waiver 1891	Gibbon Lawson McKee Ltd	Asset management for Lagganlia.	£14,625
Waiver 1892	Port Edgar Watersports CIC	Use of Port Edgar to facilitate High School National 5 Maritime Skills Course.	£8,700
Waiver 1893	Crew 2000 (Scotland) Ltd	Drug and alcohol support services for young people.	£10,266
Waiver 1896	The Action Group	Careers advice for minority ethnic carers ahead of new carers framework being put in place.	£12,208
Waiver 1898	Communication Crossroads Inc	Training for children and persons with ASD and related disabilities, and their families.	£8,777
Waiver 1902	Thempra Social Pedagogy CIC	Training to increase staff awareness of social pedagogy processes.	£11,730
Waiver 1903	Primecare Health Ltd	Care support for young person transitioning to supported accommodation.	£20,000
Waiver 1905	WWCCTV	SIM renewals for mobile CCTV airtime monitoring facility operating 24/7, 365 days per year.	£6,499
Waiver 1910	Tes Scotland	Advertising for teacher vacancies.	£6,000
Waiver 1911	Portakabin	Assembly for portakabin at Sighthill Primary School following move from Tynecastle.	£243,118
Waiver 1912	Hays Specialist Recruitment Agency Ltd	Sourcing of additional staff for the Council's workshops to assist in the maintenance of school grounds.	£49,999
Waiver 1913	Gateway Shared Services	Schools work placement services.	£15,525
Waiver 1920	Terryberry Limited	Long service awards for Communities and Families staff.	£6,721
Waiver 1921	Barnardo's Caern	Residential service for short breaks for children with disabilities.	£45,000
Waiver 1922	The Edinburgh Remakery Ltd	Reconditioning of ICT equipment for use by refugees resettled in Edinburgh.	£8,400
Waiver 1925	Glenrothes Taxi Centre Ltd	Taxi transport for service users with additional support needs in the Fife area.	£49,000
Waiver 1926	Career Ready	Bespoke software for connecting school leavers with employment opportunities.	£24,000
Waiver 1927	Gold and Gray Soccer Academy	Bespoke support programme to improve behaviour and attainment based around physical activity and wellbeing.	£49,500

Waiver 1929	John Winstanley & Company Ltd	Equipment for foster and emergency care placements.	£50,000
Waiver 1930	Hays Specialist Recruitment Ltd	Short-term staffing for Health & Social Care transport routes as contracted supplier unable to provide staff.	£50,000
Waiver 1935	North Edinburgh Childcare	Extension for delivery of SVQ3 Social Services Children and Young People whilst tendering activity is underway.	£30,400
Waiver 1937	Cameron Veitch	Pilot of house share model to ensure statutory requirements are met, improve service and reduce costs.	£11,970
Waiver 1940	HPC Laser Ltd	Printer required for design and technology coursework at Trinity Academy.	£6,250
Waiver 1943	Ruth Miskin Literacy Ltd	Bespoke training intervention programmes, intellectual property rights.	£20,000
Waiver 1945	South London and Maudsley NHS Foundation Trust	Support for hard to reach families, with young people aged 11-17, at risk of coming into Council care.	£53,650
Waiver 1946	Four Square Scotland	Short term extension to contract supporting abuse victims into accommodation until new contract in place.	£15,360
Waiver 1960	MGM Timber Scotland Limited	Temporary solution in advance of SXL contracts being adopted for use.	£12,500
Waiver 1961	Ajenta Limited	ICT equipment and software system for new Castlebrae High School to improve outcomes.	£12,651
Waiver 1962	Edict Training Ltd	System for tracking attainment in schools, sole provider of the required specification.	£48,000
Waiver 1965	Cyrenians	Short term extension to residential care until new contract in place via Framework.	£20,000
Waiver 1975	Ashdown Education Ltd	Staff training for schools across the City, provider of the required specification.	£20,000
Waiver 1978	The Guide Dogs for The Blind Association	Short term contract to support children with sight difficulties until new contract is tendered and in place.	£30,150
Waiver 1982	Eagle Couriers Scotland Ltd	Sorting, packaging and delivery of Council produced magazine, best interests.	£5,500
Waiver 1986	Primecare Health Ltd	One-off temporary support arrangement urgently required for a young person.	£130,000
Waiver 1987	Edinburgh Young Carers, Broomhouse Centre, Capital Carers	Direct awards to three young carer organisations to pilot young carers statement processes.	£30,000

Waiver 1989	Play Therapy Base Ltd	Specialist play therapy support for children under Pupil Equity Funding (PEF).	£9,500
Waiver 1991	Barnados	Support to primary school children to enhance opportunity to access curriculum and improve learning.	£35,000
Waiver 1994	Glasgow City Council	Short term extension to manage schools work placements service until brought in house.	£14,750
Waiver 1996	Humanutopia Ltd	Workshops for S2 - S6 to empower students to take control of their lives by making better choices.	£6,900
Waiver 1997	K Dewar	Independent significant case review in respect of a high-risk offender.	£9,500
Waiver 2007	Bill Rodgers Education Consultancy Pty	Expert speaker in behaviour management event to be attended by 160 school staff.	£7,000
Waiver 2009	Barnardos's Scotland	Specialist support and training for Council staff relating to child exploitation.	£27,756
Waiver 2016	VeloSolutions UK	Specialist design and build contractor.	£100,000
Waiver 2021	Edinburgh Development Group	Short-term project to trial support for young people with disabilities in their transition to adult life.	£15,431
Waiver 2022	Waterlogic	Short-term extension to existing contract whilst long-term options are explored.	£30,000
Waiver 2023	Action For Children	Specialist unit support for young people with complex education needs.	£20,000
Waiver 2026	Advanceworx Creative Communications Limited	Continuation of services to support the experience outdoors website.	£19,500
Waiver 2029	Scran Academy CIC	Alternative curriculum for pupils with barriers to their learning in both Craigmoynton and Leith schools.	£48,000
Waiver 2032	Ajenta Limited	Gaelic language equipment, video teaching space in classrooms supporting teaching delivery.	£28,730
Waiver 2033	Edge Public Solutions Ltd	Consultancy to assist with identifying savings proposals.	£30,000
			£2,217,502

Waiver No.	Directorate	Health and Social Care	Value
	Supplier	Justification for waiver	
Waiver 1835	Allpay Limited	Interim arrangement for payment system until tender completed.	£65,568
Waiver 1890	Airts Consulting Limited	Annual support and licence costs for TEND system relating to loans management system.	£24,460
Waiver 1953	UK Smart Recovery	Evidence based mutual aid intervention, intellectual property rights.	£19,200
Waiver 1990	H1 Healthcare	Short breaks service for adults with learning disabilities, not available from contracted supplier.	£10,000
			£119,228

Waiver No.	Directorate	Place	Value
	Supplier	Justification for waiver	
Waiver 1802	Vivedia Limited	Music and media for funeral services, continuity of service.	£17,000
Waiver 1817	S Flack Consultancy Ltd	Unique experience in the development of the only current work place parking levy in the UK.	£11,000
Waiver 1818	IOM Consulting Ltd	Expert occupational health technical advice.	£18,778
Waiver 1837	Tecalemit Garage Equipment Company Ltd	Repair of the bespoke brake testing unit at Russell Road, fleet services.	£6,502
Waiver 1850	Living Streets	Motivational tool to encourage active travel in schools.	£33,000
Waiver 1852	Arcadis	Capacity studies on five housing sites to examine possibilities for off-site construction.	£24,000
Waiver 1862	Ollywood Limited	Pop up park in Cockburn Street as part of Summer Streets.	£20,000
Waiver 1865	SGS UK Ltd	Quality Assurance audit in line with requirements until procurement process for new suppliers is complete.	£5,000
Waiver 1866	CA Traffic Ltd	Short term arrangement for traffic counting software until new system implemented via CGI contract.	£20,000
Waiver 1870	Central Law Training (Scotland) Ltd	Paralegal qualification in licensing for staff as part of the honours programme.	£42,000

Waiver 1873	The Corner Shop PR	PR campaign for cultural venues sourced via Marketing Edinburgh.	£13,750
Waiver 1874	The Lane Agency	PR campaign for cultural venues sourced via Marketing Edinburgh.	£33,000
Waiver 1875	Owned and Operated	PR campaign for cultural venues sourced via Marketing Edinburgh.	£12,360
Waiver 1877	D Stewart Fencing	Street signage replacement until completion of procurement exercise.	£10,000
Waiver 1878	Edinburgh Napier University School of Health and Social Care	Clinical advisor for the Driver Innovation Safety Challenge.	£14,400.
Waiver 1881	Albion Environmental Limited	Extension of contract for Health & Safety training, audit and guidance relating to waste sites.	£15,000
Waiver 1899	James Fisher Testing Services	Installation of structural health monitoring equipment on Burnshot Bridge.	£37,300
Waiver 1900	SGS UK Ltd	QA services to allow for accreditation of ISO 2015 until procurement process complete.	£5,500
Waiver 1901	Firth Building Products	Supply and repair of bespoke type window utilised across the Council's multi-storey housing estate.	£249,000
Waiver 1906	TWM Traffic Control Systems Ltd	School Streets project at three primary schools (Leith, St Mary's Leith and Gilmerton).	£20,105
Waiver 1907	Lothian Community Transport Services	Interim customer service training ahead of full tender exercise.	£20,000
Waiver 1908	IED Training Solutions Ltd	Interim arrangement relating to conflict resolution training.	£25,000
Waiver 1914	Freight Transport Association	Downloading and analysis of data stored within the digital tachographs large good vehicles.	£23,000
Waiver 1918	SeatGeek Entertainment Ltd	Proprietary ticketing software for The Usher Hall.	£13,000
Waiver 1919	Storm ID Ltd	Annual payment for quarterly maintenance and hosting of the Invest Edinburgh website, proprietary rights.	£5,500
Waiver 1932	The Royal Highland and Agricultural Society of Royal Highland Centre	Urgent removal of road markings to avoid traffic delays during Royal Highland Show.	£7,221

Waiver 1933	ISG Construction	One-off removal of bollards by contractor already on site, best interests.	£5,854
Waiver 1936	Edinburgh Napier University	Study into implications of Council's commitments to achieving zero carbon by 2030 on housing programme.	£9,754
Waiver 1938	University of Stirling	ICT specialist advisor role to support the Driver Innovation Safety Challenge.	£7,800
Waiver 1944	Distribution Unlimited	Mail distribution for specific road capital improvement projects.	£55,000
Waiver 1948	T Wedderburn	Support for Open Streets Programme until tender exercise for these services can be finalised.	£31,000
Waiver 1951	Fuchs Lubricants UK Plc	Interim supply of goods until tender process complete.	£22,000
Waiver 1955	Changeworks Recycling Ltd	Short term extension of current contract to coincide with future tender award timescales.	£15,000
Waiver 1957	It Is On Limited	Vouchers for businesses affected by the Tram extension to encourage footfall.	£46,000
Waiver 1963	Heart of Midlothian PLC	Venue hire for awards event, costs recoverable from third parties.	£5,000
Waiver 1969	N Garner	Support for Open Streets Programme until tender exercise for these services can be undertaken.	£29,000
Waiver 1971	Hays Specialist Recruitment Ltd	Recruitment of specialist staff to support Housing Programme, not available through contracted supplier.	£25,932
Waiver 1973	Horne Engineering Ltd	Purchase of thermostatic mixing valves to meet safety requirements for the corporate estate.	£20,000
Waiver 1974	BR Hallworth Ltd	Technical and software support for the tram priority system (SPRUCE), proprietary rights.	£22,500
Waiver 1985	Servest Arthur McKay Limited	Supply and installation of electric vehicle chargers to support Council fleet.	£50,000
Waiver 1992	ESRI (UK) Ltd	Annual maintenance for ICT server software relating to geographical information systems.	£11,328
Waiver 1998	Q-Free (Bristol) UK Limited	Repair and maintenance of traffic counters by the equipment supplier.	£25,000
Waiver 2002	Lothian buses, Edinburgh Coach Lines, Waverley Travel	Short term extensions to contracts for supported bus routes until new contracts in place 2020.	£234,000
Waiver 2005	Rhinowash Ltd	Short term extension to contract for vehicle washing until tender process is finalised.	£14,000

Waiver 2006	IronPlanet UK Ltd	Council vehicle disposal through re-sale, best interests.	£20,000
Waiver 2008	Nationwide Data Collection	Completion of cycle traffic surveys in support of Public Hearing into new cycle related project.	£7,000
Waiver 2014	M McKenzie	Short-term extension for recycling of waste wood until SXL Framework is put in place and available for use.	£49,000
Waiver 2017	Willis Towers Watson	Completion of review relating to operational risk insurance, Millerhill, by existing advisors.	£8,100
Waiver 2018	Contenur	Purchase of trial products with a view to replacement of existing specification of communal bins.	£49,000
Waiver 2019	BT PLC	Relocation of a BT phonebox from Westside Plaza, sole provider.	£9,988
Waiver 2020	AllStar	Temporary provision of fuel cards for staff using fleet vehicles who cannot easily access Council fuel sites.	£36,000
Waiver 2036	Chartered Institute of Housing (Scotland)	Sponsorship, exhibition and delegate attendance at the CIH Scotland Housing Festival in EICC March 2020.	£9,555
			£1,519,227

Waiver No.	Directorate	Resources	
	Supplier	Justification for waiver	Value
Waiver 1793	Link Asset Services	Review of Council loans as a result of legislative change.	£50,000
Waiver 1812	Livingston James Limited	Continuance of work to support Internal Audit Plan, not available through contracted supplier.	£12,000
Waiver 1815	Stevenson Electrical Contractors Ltd	Local provision of electrical products and services for Benmore Outdoor Education Centre.	£5,000
Waiver 1836	Headtorch	In-depth mental health awareness training for managers.	£25,000
Waiver 1851	Coulters Legal LLP	Continuity of service provision for minor element of the Legal Services Framework, best interests.	£50,000
Waiver 1860	Grange Door Systems Ltd	Legal obligation to install parking barriers as part of ground lease arrangement.	£14,779
Waiver 1897	Michael Page International Recruitment Ltd	Temporary support related to Internal Audit Plan, not available through contracted supplier.	£17,440
Waiver 1904	Cathcart Associates	Recruitment of Lead Health and Safety Trainer, unable to be sourced through standard recruitment process.	£8,600
Waiver 1909	Co Star UK	Property evaluation and information service, sole provider of specific service.	£10,958
Waiver 1923	Midland Software Limited	Consultancy relating to reporting packs in the current HR system for improvements to ERP System.	£5,850
Waiver 1924	Neos Learning Limited	Specialist finance training and facilitation to improve deliverability of savings and management information.	£36,500
Waiver 1928	Veracity Systems Ltd	Maintenance of alarm system software, proprietary rights.	£20,000
Waiver 1939	RHT Scotland Limited	Clearance of remaining furniture at 329 High Street.	£21,635
Waiver 1949	GVA Grimley Ltd	Consultant familiar with the EICC project, to undertake review of third party work in this regard.	£12,808
Waiver 1952	Wider Plan Ltd	Short extension to childcare voucher provision as a result of Scottish Government time extension.	£11,335
Waiver 1959	Team Netsol Ltd	Online form capability for Housing Benefit and Council Tax Benefit forms.	£48,000
Waiver 1972	Premiertec Consulting Limited	Initial appointment to support ERP project, to avoid delay, pending contact award through CGI contract.	£30,000

Waiver 1976	Ennova Law	To provide continuity of service on a temporary basis for an element of the legal service framework.	£49,999
Waiver 1977	Hays Specialist Recruitment Ltd	Backfill of a vacancy within the internal audit team.	£18,650
Waiver 1988	TerryBerry	Provision of staff long service awards for Place, HSC and Chief Executive Directorates.	£6,500
Waiver 1993	SGS UK Ltd	Short term audit requirement for facilities management ISO accreditation until tender process is finalised.	£9,120
Waiver 1999	Tower Leasing Ltd	Finance company for EXCEL vending, to support continued lease of vending machines in schools.	£15,000
Waiver 2000	Spotless Commercial Cleaning Ltd	Short term cleaning services to allow tender exercise to be completed.	£12,000
Waiver 2003	NHS Lothian - Lothian Health Board	Essential training for Council staff in the management and administration of medicines.	£26,552
			£517,726

Appendix 3 – Contracts awarded under the Waiver of CSOs by Committee approval

The following relate to the period 1 July – 31 December 2019.

Waiver No.	Directorate	Communities and Families	Value
	Supplier	Justification for waiver	
2031	Action for Children	Payment as contribution to the cost of short break provision for disabled children as part of a service level agreement with NHS Lothian and the other Lothians Councils.	£308,533
			£308,533

Waiver No.	Directorate	Place	Value
	Supplier	Justification for waiver	
Waiver 2031	Travis Perkins Trading Company Limited (TPTC)	Supply and delivery of trade materials for the Council's Housing Property service, best interests with regard to timing of the procurement process.	£8,000,000
Waiver 1941	Levenseat Ltd	Treatment and disposal of waste from street cleaning and street sweepings, short term extension until new approach to service provision can be implemented.	£300,000
Waiver 1979	Anturas Consulting Limited	Project Director, community consultation and project assurance services for the Edinburgh Tram Project, extensive knowledge of the Project and wide range of expertise of similar light rail projects across the UK.	£776,337
			£9,076,337

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
Fountainbridge Development	W	Place	£5m and above	May 2020
Carers Services	S	HSC	£5m and above	May 2020
Professional and Technical Services Framework	S	Place	£5m and above	May 2020
Manned Security Guarding	S	Resources	£5m and above	May 2020
Janitorial Supplies	G	Resources	£2m up to £5m	May 2020
Adult Sensory Service	S	HSC	£0.5m up to £2m	May 2020
Housing Consultancy Services	S	Place	£0.5m up to £2m	May 2020
Silverlea – Housing	W	Place	£5m and above	Aug 2020
Active Travel Programme	S/W	Place	£5m and above	Aug 2020
Day Services for Older People	S	HSC	£5m and above	Aug 2020
Managed Print Services	S	Resources	£2m up to £5m	Aug 2020
Housing Property Capital Framework	W	Place	£5m and above	Aug 2020
Residential Schools and Supported Accommodation	S	C&F	£5m and above	Aug 2020
Fostering and Continuing Care Framework	S	C&F	£5m and above	Aug 2020
Housing Support with Care at Home	S	HSC	£5m and above	Oct 2020
Asset Management – Service for Repairs and Maintenance of Council Facilities	S/W	Resources	£5m and above	Oct 2020
Contractor Works Framework	W	Resources	£5m and above	Nov 2020

Domestic Abuse Services	S	HSC	£5m and above	Nov 2020
House Builder/Developer Meadowbank	W	Place	£5m and above	Dec 2020
Support For People Recovering From Drug and Alcohol Addiction	S	HSC	£0.5m up to £2m	Dec 2020
Trade Materials and Associated Services	G/S	Place	£5m and above	Mar 2021
Housing Property Repairs Framework	W	Place	£5m and above	Mar 2021
Powderhall Development	W	Place	£5m and above	Mar 2021
Supported Accommodation	S	HSC	£5m and above	Jun 2021
Currie High School Construction	W	C&F	£5m and above	Dec 2021
Over 100 additional projects at early engagement stage	S/G/W	Various	From £25k and above	FY 2020/21

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Finance and Resources Committee

10.00am, Thursday, 5 March 2019

Summary Report on Property Transactions concluded under Delegated Authority

Executive/routine	Routine
Wards	City wide
Council Commitments	2,10

1. Recommendations

1.1 That Committee:

- 1.1.1 Notes the 35 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Officers.'

Stephen S. Moir

Executive Director of Resources

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Summary Report on Property Transactions concluded under Delegated Authority

2. Executive Summary

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

3. Background

- 3.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant 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 35 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:
 - 2 new leases producing an additional £4,550 per annum;
 - 3 lease renewal/extensions producing an additional £5,050 per annum;
 - 14 event licenses producing additional income of £71,914 per annum;
 - 12 rent reviews producing an increase of £82,515 per annum;

- 4 disposals producing capital receipts totalling £406,916.

5. Next Steps

- 5.1 The report sets out transactions which have been completed, under delegated authority, since the Finance and Resources Committee on 10 October 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. AM. 17768/1	17 – Portobello & Craigmillar	General Property	Unit 1 Peffer Business Centre Edinburgh, EH16 4UZ	Mr Josh Dow	Warehouse	Old Rent: £6,000 per annum New Rent: £8,750 per annum Lease Period: 18/11/19 to 17/11/22 Payable: Quarterly in advance
REMARKS: New open market letting following a closing date.						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. AM ES779/13	17 – Portobello /Craigmillar	General Property	29 Peffer Place Edinburgh, EH16 4BB	Oblik Productions Ltd	Storage Warehouse	Old Rent: £0.00 per annum New Rent: £1,800 per annum Lease Period: 23/09/19 to 11/11/2019 Payable: In advance
REMARKS: Short term letting during active marketing. All inclusive rent to cover all costs Inc. rent, rates and insurance.						

LEASE RENEWALS/EXTENTIONS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. IL 6605	11 – City Centre	General Property	311 Cowgate, Edinburgh, EH1 1NA	Arika Heavy Industries CIC	Retail Class 1	Old Rent: £5,100 per annum New Rent: £5,650 per annum From: 29/10/2019 to 28/10/2024 Payable: Monthly in Advance

REMARKS: NIA = 34.52 sq m2 (371 sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. IL 8337	11 – City Centre	General Property	102 West Bow, Edinburgh, EH1 2HH	Scot's Teddies In Tartan	Retail Class 1	Old Rent: £22,000 per annum New Rent: £26,000 per annum From: 01/10/2019 to 30/10/2024 Payable: Monthly in Advance

REMARKS: NIA = 49.40 sq m2 (532 sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. IL ES791/9	13 – Leith	General Property	2 Carron Place, Edinburgh, EH6 7RE	BOC Limited	Ground Lease	Old Rent: £15,500 per annum New Rent: £16,000 per annum From: 02/10/2019 to 02/10/2024 Payable: Quarterly in Advance
REMARKS: Area = 0.24 Ha (0.590 Ac)						

EVENT LICENSES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. FM	05 – Inverleith	Place	Inverleith Park Edinburgh, EH3 5NY	Great Scottish Events Ltd	Christmas charity event	Rent, including management fee: £1,560 Surveyor's Fee: £250 Lease Period: 06/12/2019 to 08/12/2019

REMARKS:

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. FM	11 – City Centre	Place	West Princes Street Gardens – Red Blaize Area Edinburgh, EH2 2HG	Scottish Chamber Orchestra	Virgin Money Fireworks Concert	Rent, including management fee: £7,200 Surveyor's Fee: £300 Lease Period: 21/08/2019 to 28/08/2019

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. FM	11 – City Centre	Place	West Princes Street Gardens Edinburgh, EH2 2HG	Fly Events Ltd	Fly Music festival	Rent, including management fee: £12,800 Surveyor's Fee: £300 Lease Period: 17/09/2019 to 24/09/2019

REMARKS:

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. FM	11 – City Centre	Place	Calton Hill Edinburgh, EH7 5AA	The Scottish Indian Arts Forum	Dusherra 2019	Rent, including management fee: £1, if asked Surveyor's Fee: £100 Lease Period: 12/10/2019 to 14/10/2019

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. FM	11 – City Centre	Place	West Princes Street Gardens Edinburgh, EH2 2HG	Mohindra Dhall	Diwali	Rent, including management fee: £1, if asked Surveyor's Fee: £75 Lease Period: 19/10/2019 to 01/11/2019
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. FM	11 – City Centre	Place	West Princes Street Gardens Edinburgh, EH2 2HG	World Wide Events Ltd	Oktoberfest	Rent, including management fee: £18,500 Surveyor's Fee: £300 Lease Period: 28/10/2019 to 04/11/2019
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
12. FM	11 – City Centre	Place	West Princes Street Gardens Edinburgh, EH2 2HG	Unique Events Ltd	Sleep in the Park	Rent, including management fee: £11,700 Surveyor's Fee: £300 Lease Period: 03/12/2019 to 10/12/2019
REMARKS:						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. FM	11 – City Centre	Place	Calton Hill Edinburgh, EH2 2HG	Underbelly Ltd	Torchlight Procession, Fireworks launch and exclusion zone	Rent, including management fee: £1,500 Surveyor's Fee: - Lease Period: 29/12/2019 to 31/12/2019
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. FM	13 – Leith	Place	Leith Links Edinburgh, EH6 7QR	Mela	Mela festival	Rent, including management fee: £2,000 Surveyor's Fee: Lease Period: 30/08/2019 to 08/09/2019

REMARKS:

Page
No.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
15. FM	15 – Southside/ Newington	Place	The Meadows Edinburgh, EH9 1ND	Altius Sports Ltd	HSBC Let's Ride	Rent, including management fee: £1,500 Surveyor's Fee: £250 Lease Period: 21/09/2019 to 22/09/2019

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16. FM	15 – Southside/ Newington	Place	Bruntsfield Links Edinburgh, EH9 1DY	World Short Hole Golf	World Short Hole Golf Championship 2019	Rent, including management fee: £1, if asked Surveyor's Fee: £75 Lease Period: 06/09/2019

REMARKS:

Page 1 of 5

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17. FM	15 – Southside/ Newington	Place	The Meadows Edinburgh, EH9 1ND	John Evans and David Taylor	John Evans Funfair	Rent, including management fee: £9,750 Surveyor's Fee: £250 Lease Period: 06/08/2019 to 18/08/2019

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
18. FM	15 – Southside/ Newington	Place	Deaconess Gardens Edinburgh EH8 9DZ	CSM Live	Lidl at the Fringe	Rent, including management fee: £5,400 Surveyor's Fee: £250 Lease Period: 15/08/2019 to 26/08/19

REMARKS:

Page 4 of 7

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
19. FM	17 – Portobello/ Craigmillar	Place	Rosefield Park, Portobello, Edinburgh EH15 1LU	Joe Madden	Portobello Village Show	Rent, including management fee: £1, if asked Surveyor's Fee: £75 Lease Period: 01/09/2019

REMARKS:

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20. IL SGC-U05	03 – Drum Brae / Gray	General Property	11 South Gyle Crescent, Edinburgh, EH12 9EB	Redpath Tyres Limited	Class 4 Tyre Depot	Old Rent: £68,400 per annum New Rent: £88,000 per annum From: 28/03/2019 – 27/03/2024. Payable: Quarterly in advance.
REMARKS: Area = 1,192.30 sq m2 (12,835 sq ft)						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
21. N/A	04 – Forth	General Property	14 West Shore Road, Edinburgh, EH5 1QG	Hanson Quarry products Europe Limited	Ground Lease	Old Rent: £21,000 per annum New Rent: £23,000 per annum From: 28/11/2019 to 27/11/2024 Payable: Quarterly in Advance
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
22. IL 11646	09 – Fountainbridge / Craiglockhart	General Property	107/109 Dundee Street, Edinburgh, EH11 1AW	Hawkeye Properties 501 Ltd	Ground Lease	Old Rent: £10,795 per annum New Rent: £12,950 per annum From: 28/11/2019 to 27/11/2029. Payable: Half yearly in advance.
REMARKS: Area = 0.156 Hc (0.385 Ac)						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
23. IL HIGH-U02	11 – City Centre	General Property	46 High Street, Edinburgh, EH1 1TB	The Gold Bros	Retail Class 1	Old Rent: £37,440 per annum New Rent: £54,600 per annum From: 01/10/2019 to 30/10/2024. Payable: Quarterly in advance.
REMARKS: Area = 154.53 sq m2 (1,663 sq ft)						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
24. IL HIGH-U03	11 – City Centre	General Property	50 High Street, Edinburgh, EH1 1TB	Gillian Thorburn	Retail Class 1	Old Rent: £30,000 per annum New Rent: £44,550 per annum From: 14/07/2019 to 13/07/2024. Payable: Quarterly in advance.

REMARKS: Area = 100.53 sq m2 (1,080 sq ft)

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
25. IL 13849/66	11 – City Centre	General Property	32 High Street, Edinburgh, EH1 1TB	B&GS Landa Ltd	Retail Class 1	Old Rent: £27,000 per annum New Rent: £33,000 per annum From: 25/05/2019 to 24/05/2024. Payable: Quarterly in advance.

REMARKS: Area = 41.61 sq m2 (448 sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
26. IL 16274/9	11 – City Centre	General Property	324/326 Lawnmarket, Edinburgh, EH1 2PH	Balwidar Singh Landa	Retail Class 1	Old Rent: £72,500 per annum New Rent: £81,000 per annum From: 01/04/2019 to 31/03/2024. Payable: Quarterly in advance.

REMARKS: Area = 140.88 sq m2 (1,156 sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
27. IL 6335/2	11 – City Centre	General Property	189 Canongate, Edinburgh, EH8 8BN	Gordon Bremner Nicolson	Retail Class 1	Old Rent: £27,500 per annum New Rent: £28,500 per annum From: 01/10/2019 to 30/09/2024 Payable: Monthly in Advance

REMARKS: NIA = 106.3 sq m2 (1,144 sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
28. IL 1423/9	11 – City Centre	General Property	39 Leith Street, Edinburgh, EH1 3AT	Brian Calder	Retail Class 1	Old Rent: £9,600 per annum New Rent: £10,150 per annum From: 12/11/2019 to 11/11/2024 Payable: Monthly in Advance

REMARKS: NIA = 27.79 sq m2 (299 sq ft)

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
29. IL ES8	13 – Leith	General Property	10 – 20 Dock Street, Edinburgh, EH6 6EY	Aldi Stores Ltd	Ground Lease	Old Rent: £17,400 per annum New Rent: £27,500 per annum From: 21/11/2019 to 20/11/2024. Payable: Quarterly in advance.

REMARKS: Area = 0.416 Hc (1.028 Ac)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
30. IL 17182	13 – Leith	General Property	96 Jane Street, Edinburgh, EH6 5HG	Paul White	Ground Lease	Old Rent: £3,000 per annum New Rent: £3,500 per annum From: 19/02/2019 to 18/02/2024. Payable: Quarterly in advance.

REMARKS: Area = 0.021 Hc (0.052 Ac)

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
31. IL 8183	15 – Southside / Newington	General Property	52 West Richmond Street, Edinburgh, EH8 9DZ	Hilmi Cetin & Huseyin Cengiz	Class 1 Cafe	Old Rent: £7,100 per annum New Rent: £7,500 per annum From: 19/10/2019 to 18/10/2024. Payable: Quarterly in advance.

REMARKS: Area = 49.53 sq m2 (533 sq ft)

DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
32. FM	11 – City Centre	Housing and Revenue	Basement Store, 3 Coinyie House Close, Edinburgh, EH1 1NL	Coinyie House Properties Ltd, 3 Cleekim Drive, Edinburgh EH15 3HT	Conversion to residential properties	Purchase price: £270,000 Surveyor's Fee: £6,750 Date of sale: 23/09/2019
REMARKS:						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
33. MB	17 – Portobello/ Craigmillar	Housing and Revenue	12 Niddrie Mill Avenue Edinburgh EH16 6UD	Chuang Kelly	Garden Ground	Purchase price: £4,000 Surveyor's Fee: £150 Date of sale: 08/01/2020
REMARKS: Minor land transaction						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
34. MB	03 - Oxgangs	Housing and Revenue	45 Oxgangs Brae Edinburgh EH13 9LU	Mr & Mrs Gary Strang	Garden Ground	Purchase price: £2,800 Surveyor's Fee: £150 Date of sale: 29/11/2019

REMARKS: Minor land transaction

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
35 FC	Midlothian district	Housing and Revenue	Cockburn Cottage, Penicuik, Midlothian EH26 8PP	Emma Drye	Dwelling House	Purchase price: £130,116 Surveyor's Fee: £3,903.48 Date of sale: 16/08/2019

REMARKS: Service tenement tied to former Wellington Residential School, Midlothian

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Port Edgar Marina, South Queensferry- Proposed Lease Variation

Executive/routine	Routine
Wards	1 – Almond
Council Commitments	<u>2</u>

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves to vary the current lease of Port Edgar Marina to Port Edgar Holdings Limited on the 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: Roger McGaffin, Development and Disposals Officer,
Property and Facilities Management Division, Resources Directorate

E-mail: roger.mcgaffin@edinburgh.gov.uk | Tel: 0131 529 4154

Port Edgar Marina, South Queensferry- Proposed Lease Variation

2. Executive Summary

- 2.1 Port Edgar Holdings Limited (PEHL) has requested a variation to their lease of Port Edgar Marina to increase the area occupied. This report seeks approval to vary the lease on the terms and conditions as set out in the report.

3. Background

- 3.1 On 23 March 2017, the Finance and Resources Committee approved an amendment to the lease of Port Edgar Marina to PEHL.
- 3.2 At that time, PEHL agreed to take responsibility for utility services to the marina and infrastructure improvement works at an estimated cost of £200,000, which were the responsibility of the Council. Rather than grant an immediate rent-free period to cover the cost of the improvement works, the rent profile was amended to spread the cost over a 15-year period.
- 3.3 The proposals also extended the area of lease whereby PEHL would become the intermediate landlord for several existing tenants. Prior to this interposition the Council agreed to extend existing short-term leases to the community-based tenants (Marine Sea Cadets, South Queensferry Sea Cadets and Port Edgar Yacht Club) as this would provide for a greater security of tenure once the land transfers to PEHL.
- 3.4 The renewal of the leases to the community-based tenants has taken longer than expected but are now substantially in place. However, due to the overall continued success of the project and need for continued investment, PEHL has requested a further extension of the area leased to accommodate additional boat storage. This would require a variation of the terms approved by Committee in March 2017, which is the purpose of this report.

4. Main report

- 4.1 The changes to the terms of the lease that were approved in March 2017 are as follows:-
- The area leased will be extended to include the area shaded blue on the attached plan. This will accommodate additional boat storage required to support the developing marina. This area also includes the Powerhouse building which houses the electricity distribution for the marina. The Council will also be relieved of the responsibility for the cost repair and maintenance of the buildings within the extended area;
 - To reflect the increased area under the lease, the level of rent will increase, on a pro rata basis, from £90,000 to £105,500 per annum;
 - The infrastructure works reported in March 2017 have increased from £200,000 to £274,000 due to the discovery of asbestos on the central pier, which requires removal;
 - A break clause in favour of the landlord, which will be PEHL in the existing sub lease, to the South Queensferry Scouts will be removed therefore securing the long-term future of that group.
- 4.3 Whilst these proposals result in an initial reduction in income, larger than the £200,000 reported in 2017 due to increased awareness of CEC liabilities, this will be offset by the removal of the Council's liability for maintenance, upgrade, and potential replacement to power supply, which requires an immediate expenditure in the region of £100,000, the upgrade of the substandard drainage infrastructure in the area and the removal of asbestos from the publicly accessible pier.
- 4.4 In a similar manner to the 2017 approval, the costs of the works will be addressed through an amended rent profile over an 18-year period offset against the increase in rent.

5. Next Steps

- 5.1 Following approval of the terms by Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation. Conclusion of the proposed lease extension will minimise risk and potential financial exposure to the Council and allow PEHL to commit to further investment in marina improvements.

6. Financial impact

- 6.1 The Councils exposure to costs have increased from £200,000 to £274,000. However, these costs are mitigated by spreading payment over an 18-year period. This will in part be offset by the increase in the rental figure of £12,500 which will

accumulate to £800,000 of additional rental income until the expiry of the lease in 2084.

- 6.2 The variation will also remove the Council's responsibility for any future maintenance, repair, upgrade, potential replacement of infrastructure and removal of asbestos which is a barrier to development and future investment in the marina. It will also relieve the Council of similar responsibilities for existing buildings.

7. Stakeholder/Community Impact

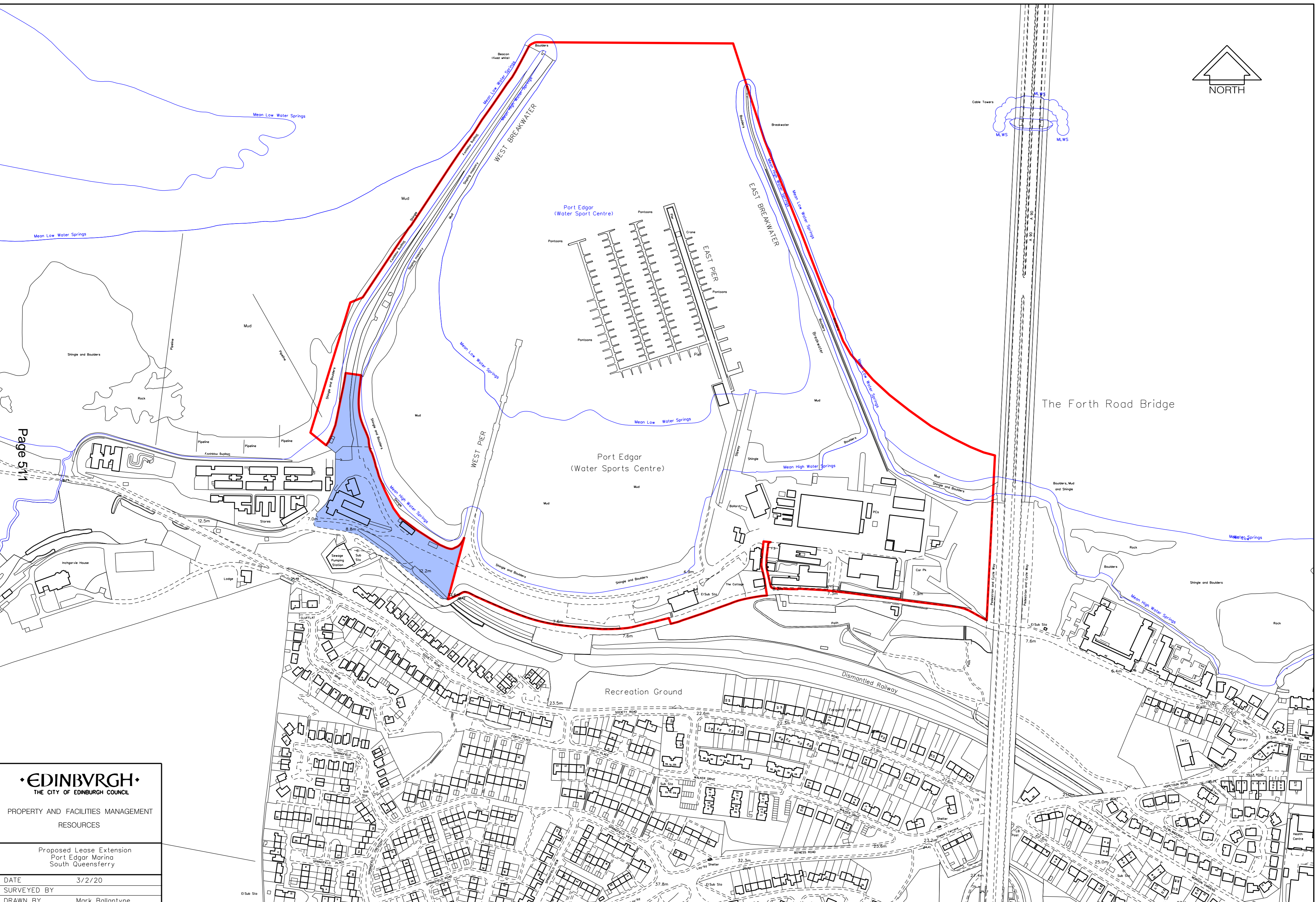
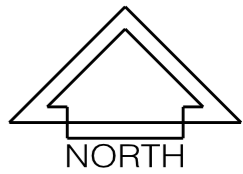
- 7.1 Ward elected members have been made aware of the recommendations of the report.
- 7.2 The Council and PEHL have consulted with key stakeholders in the Marina including Port Edgar Yacht Club, the Berth Holders Association, the Marine Sailing and Sea Cadet Association and existing tenants. These discussions have been supportive of the proposed development.

8. Background reading/external references

Finance and Resources Committee – 23 March 2017 – Port Edgar Marina – Proposed Lease Extension

9. Appendices

Appendix 1 - Location Plan



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EDINBURGH
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

Proposed Lease Extension
Port Edgar Marina
South Queensferry

DATE 3/2/20
SURVEYED BY
DRAWN BY Mark Ballantyne
FILE NO. 1:2500 @ A2
NEG. NO. NT1177/A2/87 A

LAND AND HARBOUR TO BE LEASED SHOWN DELINEATED RED

PROPOSED LEASE EXTENSION SHOWN SHADED BLUE

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

65 Niddrie Mains Terrace, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	17 – Portobello/Craigmillar
Council Commitments	1, 2, 10, 11

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the disposal of 65 Niddrie Mains Terrace to LAR Housing Trust on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

65 Niddrie Mains Terrace, Edinburgh – Proposed Disposal

2. Executive Summary

- 2.1 The property at 65 Niddrie Mains Terrace is surplus to the requirements of the service in its current state and disposal to LAR Housing Trust would create an opportunity to deliver quality homes and support for people with learning disabilities. The report seeks approval to dispose of the property to LAR Housing Trust.

3. Background

- 3.1 The property at 65 Niddrie Mains Terrace is a detached block consisting of 5 flats and an office, formally used as a Day Service Hub. It was vacated several years ago and needs complete renovation to bring it back into use. The property, which is held on the Housing Revenue Account (HRA), is shown outlined in red on the attached plan.
- 3.2 There is constant and increasing demand for accommodation to support people with learning disability in the community. The property has been identified by Health and Social Care as an opportunity to create 6 apartments to assist with meeting this demand.
- 3.3 LAR Housing Trust (LAR) is a charity that was established in 2015 to provide mid-market rental opportunities across Scotland. Since becoming operational it has built or purchased almost 500 homes, 87 of which are within Edinburgh.
- 3.4 The LAR business model primarily focuses on the development and management of properties for mid-market rent, but the organisation has indicated that it would be willing to enter into a long lease with the Health & Social Care Partnership to provide accommodation for people with learning disabilities. LAR does not provide care and support services but is committed to working with partners in the charitable and public sector to provide properties for other organisations to deliver these services.
- 3.5 LAR has been in discussion with Council officers to identify projects which would provide the charity with additional homes in Edinburgh. Working with officers in

Housing and Health and Social Care Partnership, the opportunity for the purchase of the property at Niddrie Mains Terrace has emerged.

4. Main report

- 4.1 The property is in very poor condition and requires complete renovation to make it habitable. A condition report has estimated the cost at approximately £300,000.
- 4.2 LAR has submitted a business case to purchase the property from the Housing Revenue Account and undertake a refurbishment programme to create 6 x 2-bedroom flats suitable for affordable rent. LAR's intention is to work with officers in Health and Social Care to ensure that the proposed specification will meet the needs of adults with learning difficulties.
- 4.4 LAR, using the condition report as a baseline, estimate that the works to undertake this will be £458,020 and on completion consider the market value to be in the region £105,000 to £110,000 per flat (with a discount of 5% for bulk purchase). Based on these figures LAR have offered to purchase the property for £144,000.
- 4.5 The units are relatively small with larger 2 bed apartments in the area achieving slightly higher values. Therefore, the parties that have agreed that once the works are complete an independent valuation will be undertaken with LAR prepared to pay an overage to the Council (on a 70:30 basis) of any value in excess of £110,000 per apartment.
- 4.6 Once the works are complete the intention is for the Council, through Health and Social Care, to take a 10-year lease of the flats with LAR, as landlord, responsible for all repairs to the building (other than damage attributable to residents).
- 4.7 If this lease progresses, the terms will be brought to a future committee for approval. Should a lease not be agreed, LAR will rent the flats on a mid-market rent basis.
- 4.8 Disposal of the property to LAR Housing Trust will support the delivery of Council objectives; including increasing the supply of affordable homes, delivering better health and social care outcomes and bringing empty properties back into use.

5. Next Steps

- 5.1 Following approval of the terms by Finance and Resources Committee, solicitors will be instructed to complete the legal documentation for the disposal of the property to LAR Housing Trust.

6. Financial impact

- 6.1 A capital receipt of £144,000 and any overage will be received by the Housing Revenue Account. The capital receipt will support the delivery of the Council's investment programme in new and existing homes.

7. Stakeholder/Community Impact

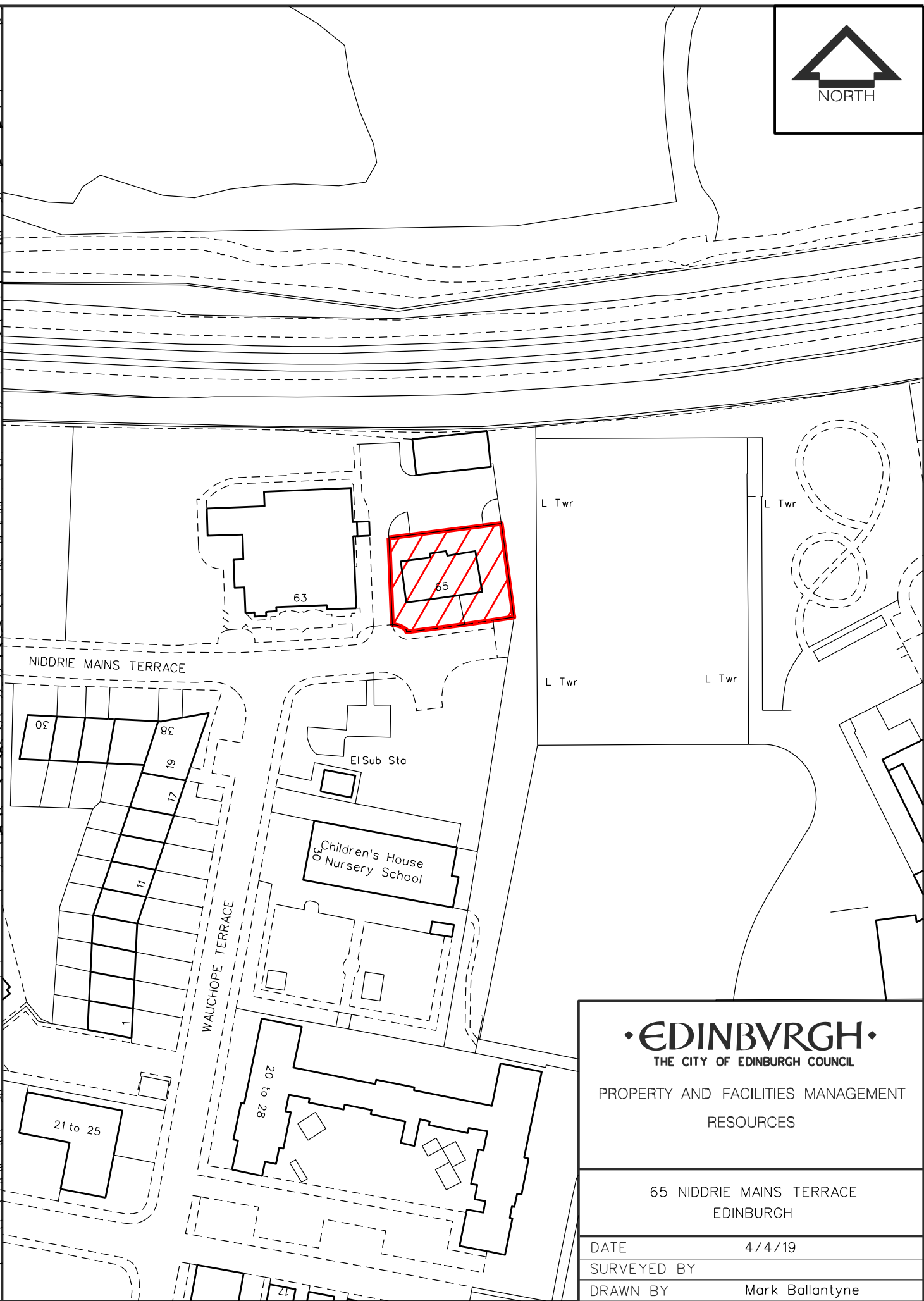
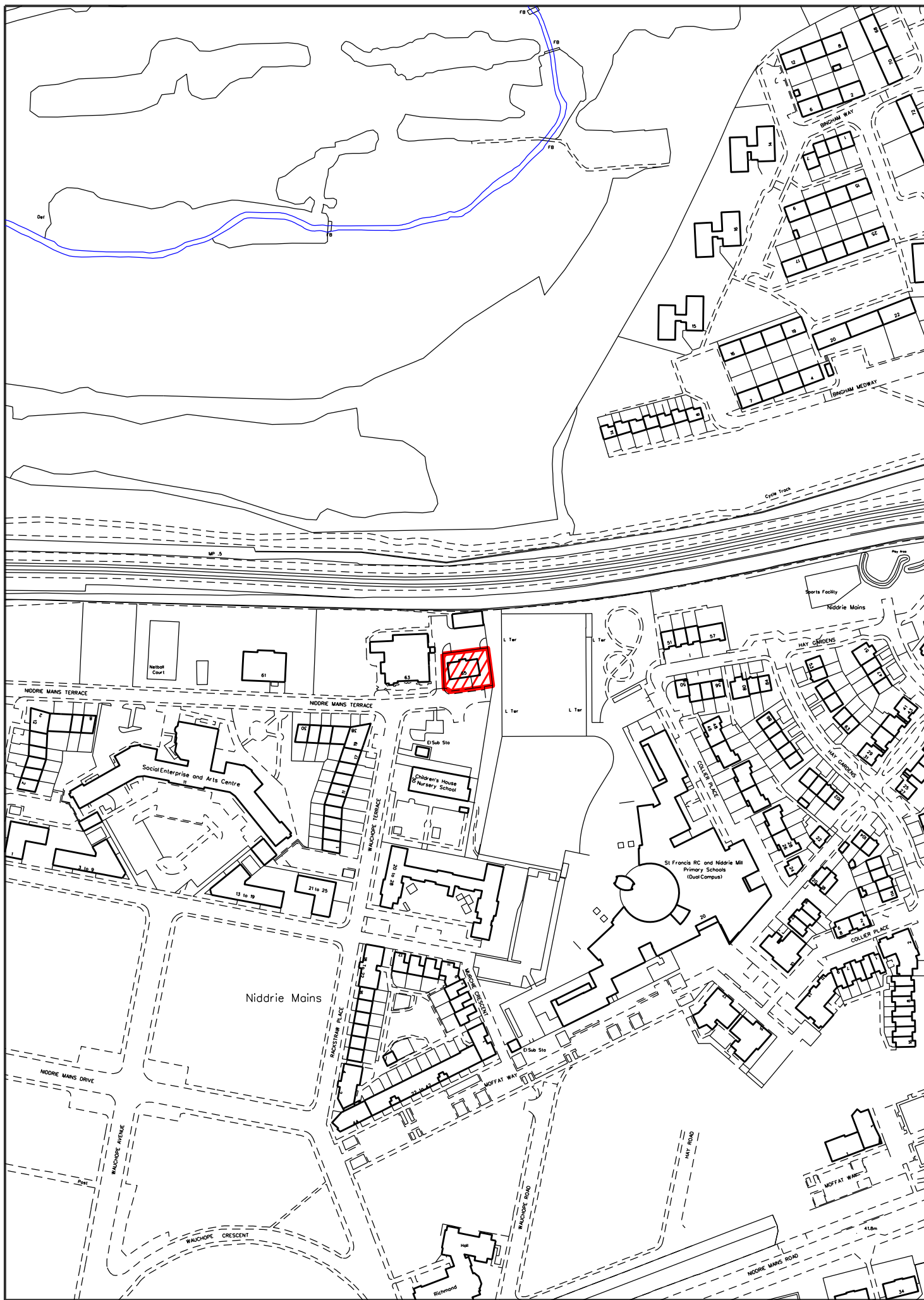
- 7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1 - Location Plan



LOCATION PLAN

SCALE 1:2500

SITE PLAN

SCALE 1:500

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
65 NIDDRIE MAINS TERRACE EDINBURGH	
DATE	4/4/19
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/2104

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

8-13 Johnston Terrace, Edinburgh - Proposed New Lease

Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	2

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 25 year lease to GL Attractions Limited of premises at 8 – 13 Johnston Terrace, 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: Iain Lamont, Investment Portfolio Officer

Property and Facilities Management Division, Resources Directorate

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

8-13 Johnston Terrace, Edinburgh- Proposed New Lease

2. Executive Summary

- 2.1 The retail unit at 8 – 13 Johnston Terrace is currently let to GL Attractions Limited. The existing lease expires on 30 June 2020 and the tenant has requested a new 25 year lease. The report seeks approval to grant a new lease to GL Attractions Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 The premises at 8 – 13 Johnston Terrace extend to 341.40 sq m (3,675 sq ft) or thereby as shown outlined in red on the attached plan.
- 3.2 Since April 2017, GL Attractions Limited has been the tenant of the property operating a retail business. The current rent is £48,000 per annum.
- 3.3 The existing lease expires on 30 June 2020 and the tenant has requested the Council grant a new 25 year lease until 30 June 2045.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- Subjects: 8-13 Johnston Terrace, Edinburgh;
 - Tenant: GL Attractions Limited;
 - Term: 25 years from 1 July 2020;
 - Rent: £75,000 per annum for years 1-4, increasing to £80,000 in year 5;
 - Use: Class 1 Retail Use;
 - Rent Review: The rent will be reviewed on the fifth anniversary, and 5 yearly thereafter, based on the uplift in in the Retail Price Index over the preceding 5 year period subject to a collar and cap of 7.5% and 12.5%;

- Repair: Full repairing and maintaining obligation;
- Costs: The tenant shall be responsible for all Council and Legal costs;
- Other terms: As contained in a standard lease.

4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

5. Next Steps

5.1 Following approval of the terms by Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

6.1 An increase in rent to £75,000 per annum to the General Property Account, effective from 1 July 2020 and a further increase to £80,000 from 1 July 2024. The initial revised rent represents an increase of 56% on the rent currently received.

7. Stakeholder/Community Impact

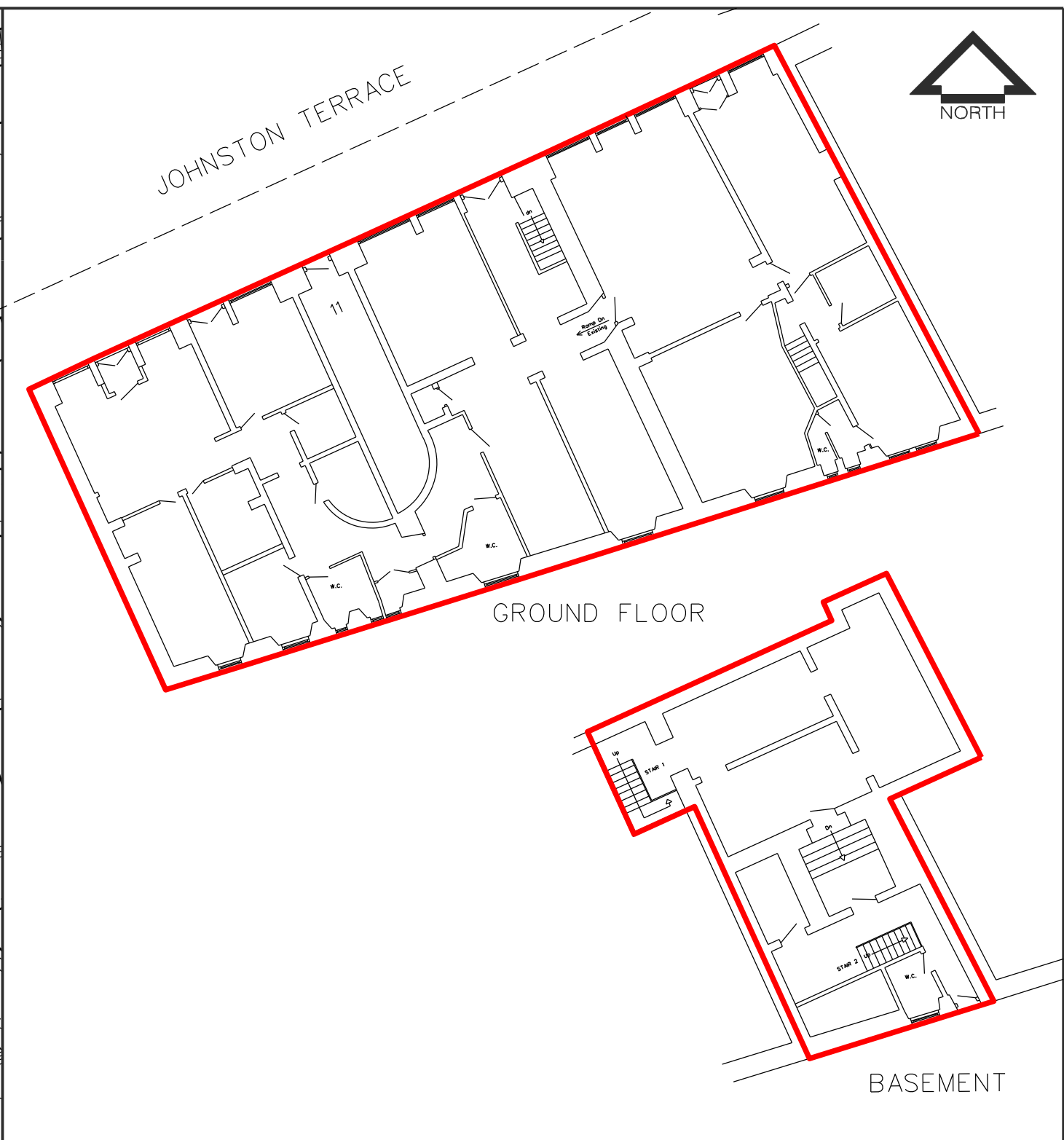
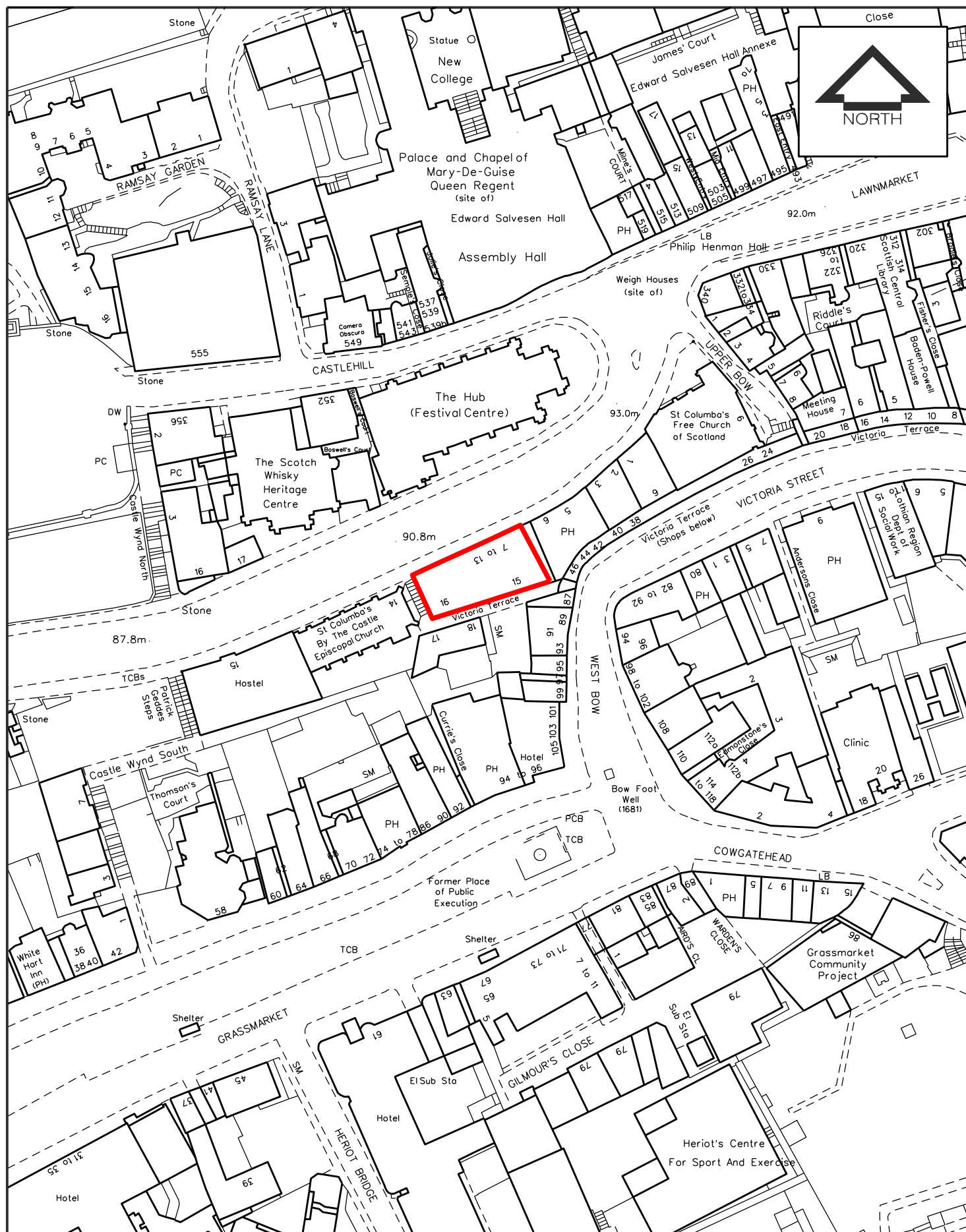
7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

N/A

9. Appendices

Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

FLOOR PLAN

8-13 JOHNSTON TERRACE, EDINBURGH

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
8-13 JOHNSTON TERRACE EDINBURGH	
DATE	25/11/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1524

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

301-303 Cowgate, Edinburgh- Proposed New Lease

Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	2

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 15 year lease to Crescent Print Limited of retail premises at 301 – 303 Cowgate, 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: Iain Lamont, Investment Portfolio Officer,

Property and Facilities Management Division, Resources Directorate

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

301-303 Cowgate, Edinburgh- Proposed New Lease

2. Executive Summary

- 2.1 The retail unit at 301 – 303 Cowgate is currently let to Crescent Print Limited. The existing lease expires on 31 March 2020 and the tenant has requested a new 15 year lease. The report seeks approval to grant a new lease to Crescent Print Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 The premises at 301 – 303 Cowgate extends to 85.13 sq m (916 sq ft) or thereby and is shown outlined in red on the attached plan.
- 3.2 Since July 2011, Crescent Print Limited have been the tenant at the property operating a printing / reproduction business. The current rent is £11,600 per annum.
- 3.3 The existing lease expires on 31 March 2020 and the tenant has requested the Council grant a new 15 year lease until 31 March 2035.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- Subjects: 301-303 Cowgate, Edinburgh;
 - Tenant: Crescent Print Limited;
 - Term: 15 years from 1 April 2020;
 - Rent: £13,000 per annum;
 - Use: Class 1 Retail Use;
 - Rent Review: 1 April 2025 and five yearly thereafter to Market Rental Value;
 - Repair: Full repairing and maintaining obligation;
 - Costs: The tenant shall be responsible for all Council and Legal costs;

- Other terms: As contained in a standard lease.

4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

5. Next Steps

5.1 Following approval of the terms by Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

6.1 An increase in rent to £13,000 per annum to the General Property Account, effective from 1 April 2020. The revised rental represents an increase of 2% on the rent currently received.

7. Stakeholder/Community Impact

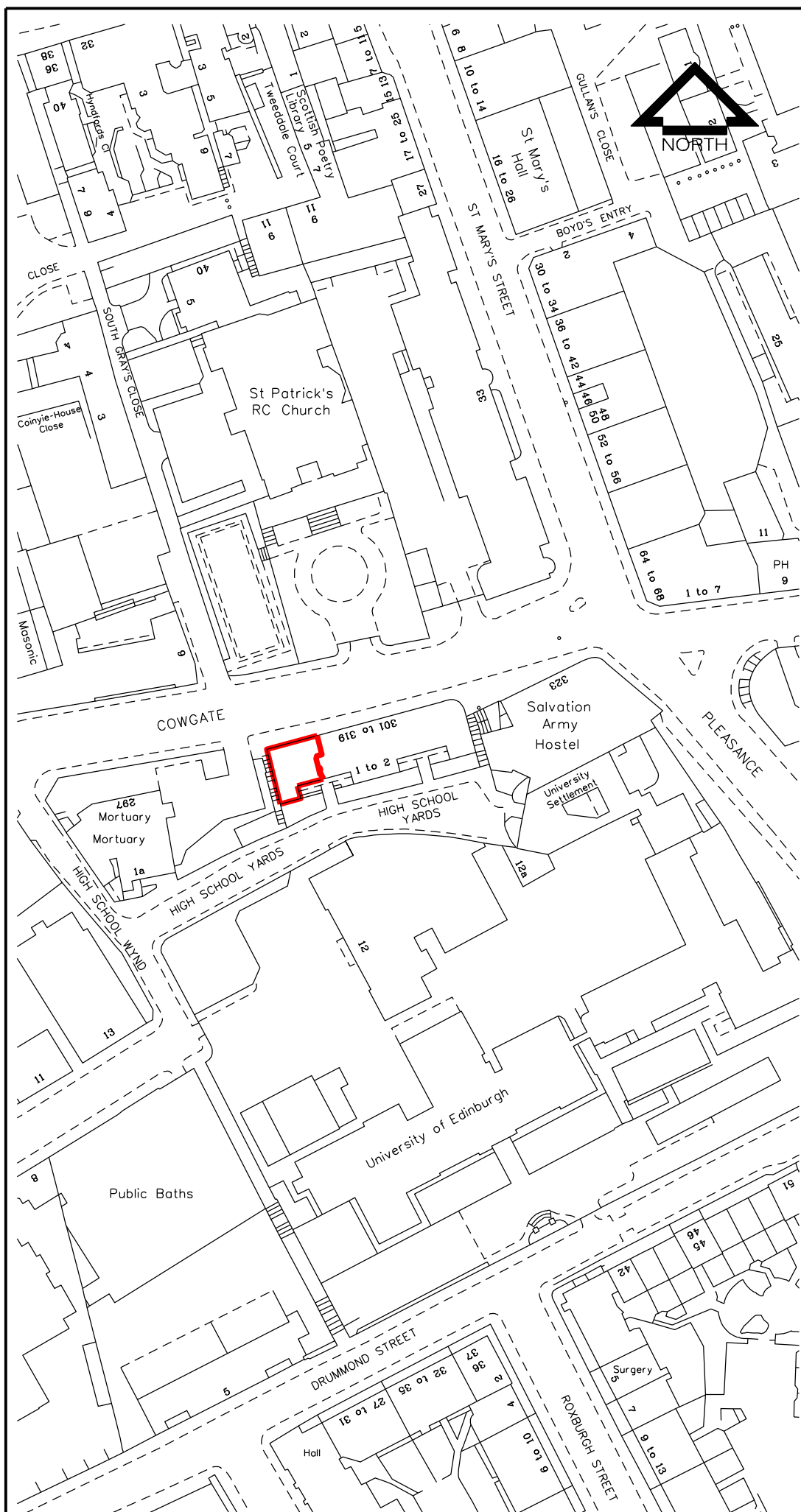
7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

N/A

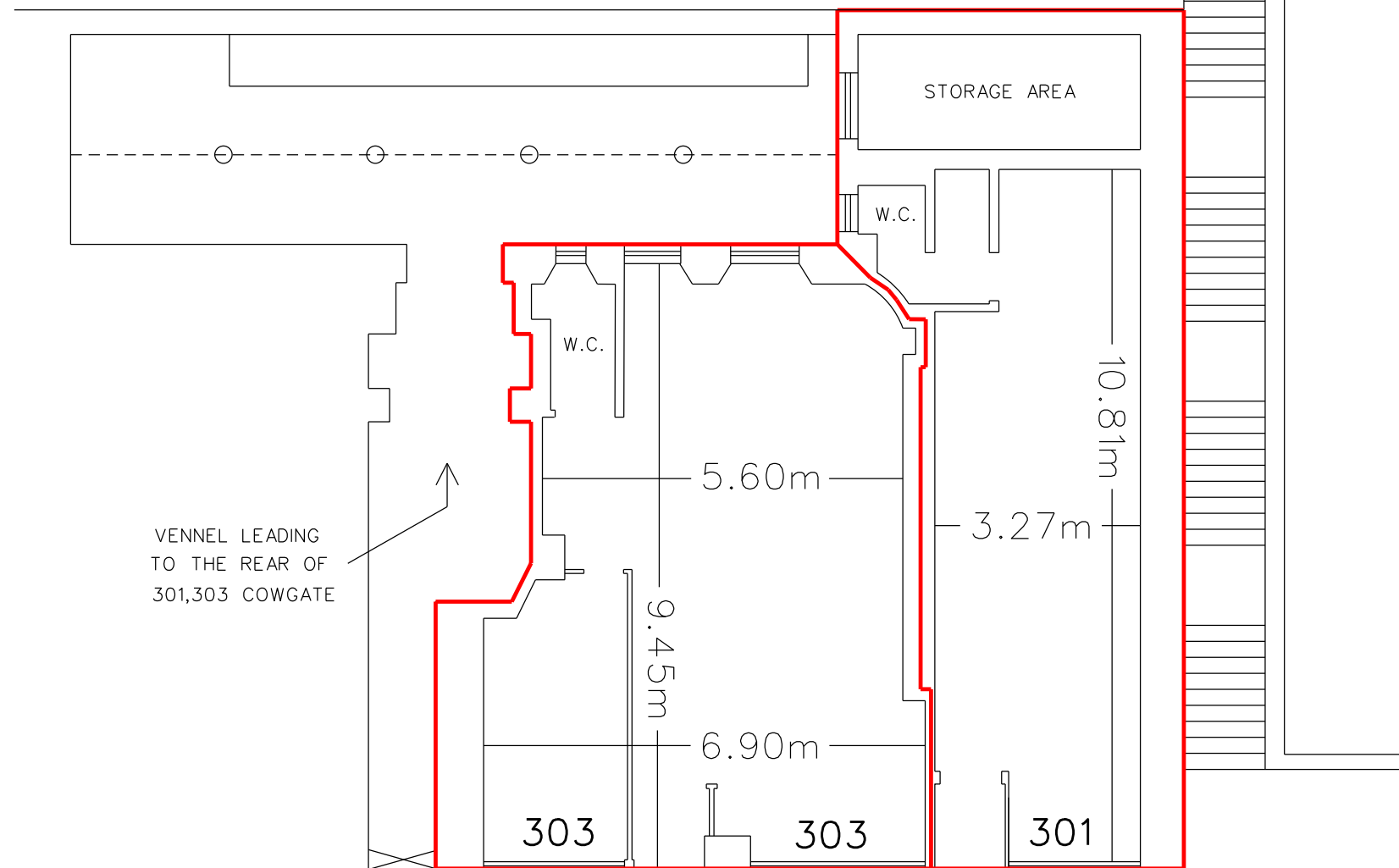
9. Appendices

Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE



COWGATE

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
SHOPS AND STORAGE AREAS 301,303 COWGATE EDINBURGH	
DATE	25/11/19
SURVEYED BY	MB,FM
DRAWN BY	MB
FILE NO.	6601
NEG. NO.	A3/382

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Leith Fort Gatehouse, North Fort Street, Edinburgh- Proposed New Lease

Executive/routine	Routine
Wards	13 - Leith
Council Commitments	<u>2</u>

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 20-year lease, with an option to purchase, to Port of Leith Housing Association of the former gatehouse premises at North Fort Street, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager,

Property and Facilities Management Division, Resources Directorate

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

Leith Fort Gatehouse, North Fort Street, Edinburgh- Proposed New Lease

2. Executive Summary

- 2.1 A listed former gatehouse at the Leith Fort affordable housing development remains vacant. Port of Leith Housing Association has approached the Council to acquire the building for refurbishment to a community use. The report seeks approval to grant a new lease, with an option to purchase, to Port of Leith Housing Association on the terms and conditions outlined in the report.

3. Background

- 3.1 The Council, through 21st Century Homes, jointly developed the Leith Forth site with Port of Leith Housing Association (POLHA) delivering 94 affordable homes for rent. Two Grade B listed gatehouses did not form part of the development.
- 3.2 One of the gatehouses is held under a long lease to Scottish Power. The other remains vacant and would require considerable investment to bring back onto beneficial use. The gatehouse is held on Housing Revenue Account.
- 3.3 POLHA has approached the Council with a request to purchase the remaining gatehouse with the intention to develop the property for community use. The gatehouse extends to approximately 139 sq m (1,500 sq ft) as shown outlined in red on the attached plan.
- 3.4 A building survey, instructed by POLHA, reported a cost of £210,000 to refurbish the property to a condition to allow occupation. Further costs would be required to create the proposed community use.
- 3.5 POLHA sought to purchase the property for minimal consideration citing the required level of expenditure. Valuations instructed by both parties produced differing figures with POLHA receiving a figure of £100,000 and the Council £160,000. Both valuations were provided on the assumption that limited repairs were required to the property.

- 3.6 The parties have sought to agree a compromise position whereby the Council receive an element of income for the property which in turn will allow POLHA to make the investment required and proceed with the refurbishment.

4. Main report

4.1 To reflect the condition of the building, the level of expenditure required to refurbish the building for community use and to ensure that the proposed use is delivered it has been agreed that POLHA will lease the property for a period of 20 years with an option to purchase thereafter.

4.2 The following terms have been provisionally agreed:

- Subjects: Leith Fort Gatehouse, North Fort Street, Edinburgh;
- Tenant: Port of Leith Housing Association;
- Term: 20 years;
- Rent: £3,500 per annum;
- Use: The refurbishment of the building to bring it back into community use (commercial uses will not be permitted without prior written consent of the Council) ;
- Repair: Full repairing and maintaining obligation;
- Costs: The tenant shall be responsible for all Council and Legal costs;
- Other terms: As contained in a standard lease.

4.3 At the end of the lease, POLHA will have an option to purchase the property for £1. This option would be dependent on the terms of the lease being fulfilled and the property being utilised for continued community use.

5. Next Steps

5.1 Following approval of the terms by Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

6.1 The Housing Revenue Account will receive a rent of £3,500 per annum for a period of 20 years.

7. Stakeholder/Community Impact

- 7.1 Ward elected members have been made aware of the recommendations of the report.
- 7.2 The building has been declared surplus to operational requirements by the Executive Director of Place.

8. Background reading/external references

N/A

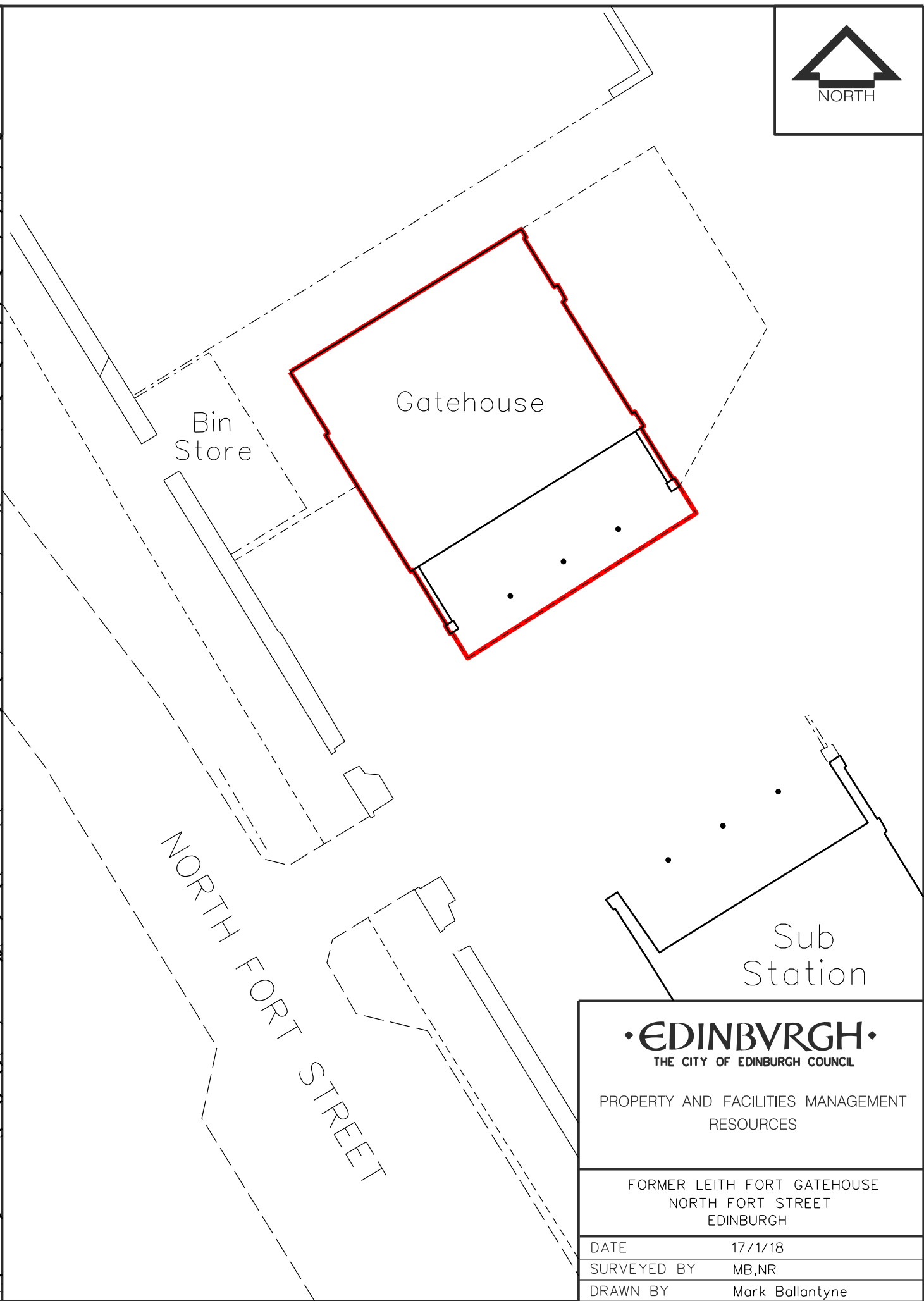
9. Appendices

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	
FORMER LEITH FORT GATEHOUSE NORTH FORT STREET EDINBURGH	
DATE	17/1/18
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1888

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

25X Lochend Road South, Edinburgh- Proposed New Lease

Executive/routine	Routine
Wards	14 – Craigentinny/Duddingston
Council Commitments	<u>2</u>

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 10 year lease to Lochend Football Academy, on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Seli McVittie, Investment Officer,

Property and Facilities Management Division, Resources Directorate

E-mail: seli.mcvittie@edinburgh.gov.uk | Tel: 0131 529 5781

25X Lochend Road South, Edinburgh- Proposed New Lease

2. Executive Summary

- 2.1 Lochend Football Academy currently occupy land 25X Lochend Road South, Edinburgh. Their current lease expired in 2016 and is now running on a year to year basis. This report seeks approval to grant a new 10 year lease, on the terms and conditions outlined in the report.

3. Background

- 3.1 The subjects extend to 0.32 hectares (0.70acres) or thereby, located at 25X Lochend Road South as shown outlined in red on the attached plan. The site consists of four temporary units and a 3G artificial football.
- 3.2 Lochend Football Academy (formerly known as Lochend Youth Football Club) have occupied the site since 2011. Their current lease ended in March 2016 and is now running on tacit relocation on a year to year basis at a rent of £150 per annum.
- 3.3 Discussions have taken place to agree a longer lease to provide the tenant with greater security and to move the rent away from concessionary terms.

4. Main report

- 4.1 The following terms have been provisionally agreed:-

- Subjects: Land at 25X Lochend Road South, Edinburgh;
- Tenant: Lochend Football Academy;
- Term: 10 Years from March 2020;
- Rent: £1,000 per annum;
- Use: Football pitch and changing rooms to be used for sports purposes and the storage of sports equipment;

- Rent Review: The rent will be reviewed on the fifth anniversary on an upwards only basis;
- Repair: Full repairing and maintaining obligation;
- Costs: Each party will be responsible for their own costs in the preparation of the lease;
- Other terms: As contained in a standard lease.

5. Next Steps

- 5.1 Following approval of the terms by Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

- 6.1 An increase in rent to £1,000 per annum to the General Property Account, effective from March 2020.

7. Stakeholder/Community Impact

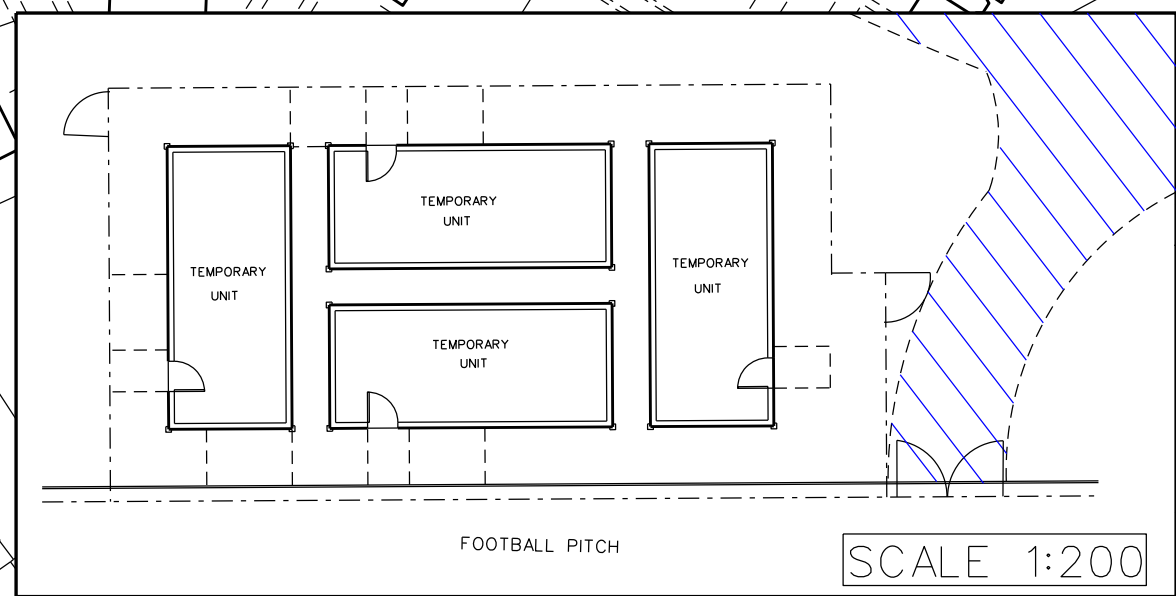
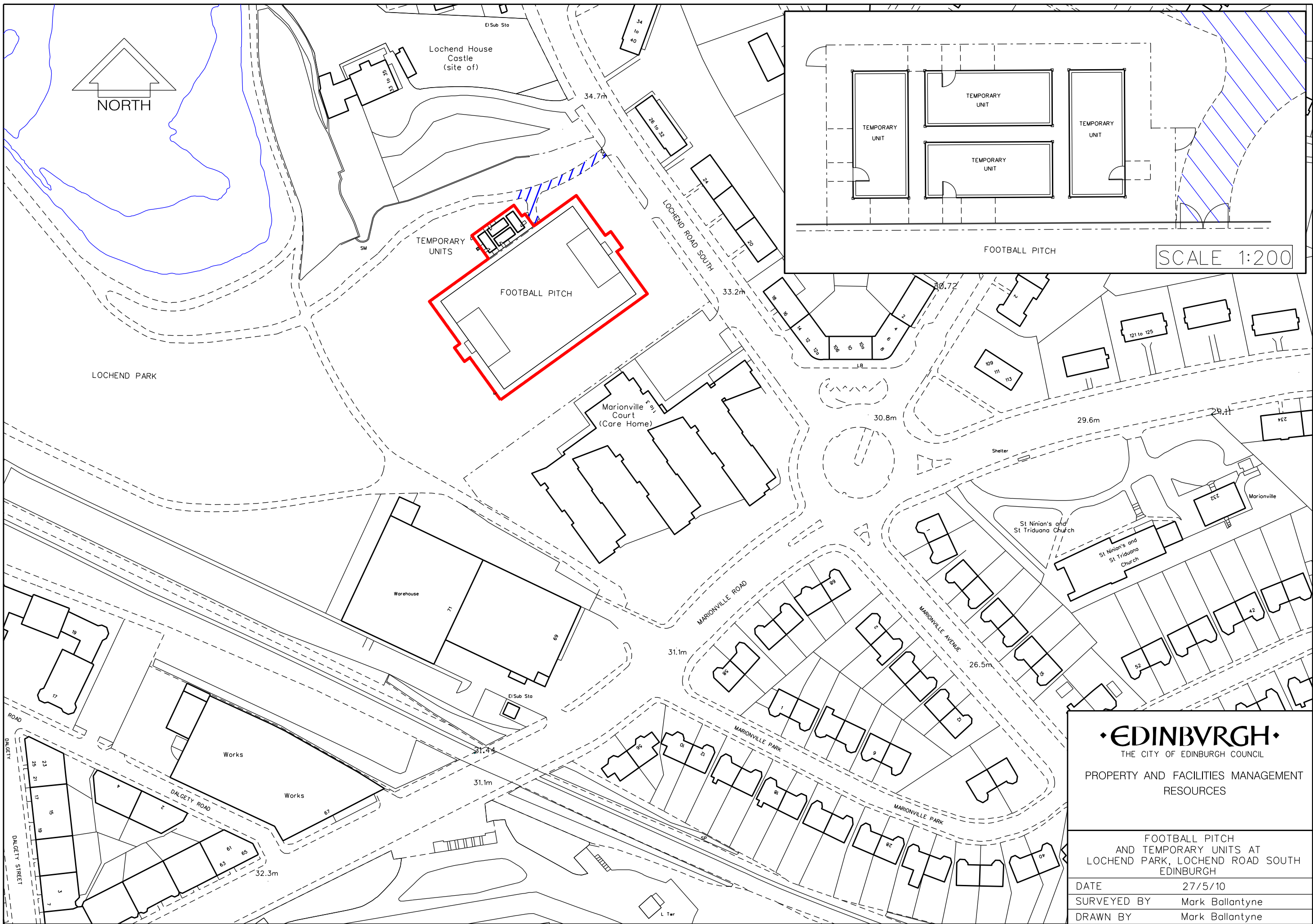
- 7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

N/A

9. Appendices

Appendix 1 - Location Plan



SITE PLAN

SCALE 1:1250

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
FOOTBALL PITCH AND TEMPORARY UNITS AT LOCHEND PARK, LOCHEND ROAD SOUTH EDINBURGH	
DATE	27/5/10
SURVEYED BY	Mark Ballantyne
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1030

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Former Coach House, Spylaw Park, Colinton – Community Asset Transfer

Executive/routine	Routine
Wards	8 Colinton/Fairmilehead
Council Commitments	31,39,43,46

1. Recommendations

- 1.1 That Committee approves the disposal of the Former Coach House located at Spylaw Park, Colinton to Colinton Village Enterprise on the terms as specified in the Community Asset Transfer request report and on such other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Brian Paton, Senior Surveyor,

Property and Facilities Management Division, Resources Directorate

E-mail: brian.paton@edinburgh.gov.uk | Tel: 0131 469 5228

Former Coach House, Spylaw Park, Colinton – Community Asset Transfer

2. Executive Summary

- 2.1 This report seeks authority to dispose of the Former Coach House located at Spylaw Park, Colinton to Colinton Village Enterprise on the terms outlined in the report. The proposed sale is a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

3. Background

- 3.1 The building (shown coloured blue on the attached location plan) was first used as a coach house for Spylaw House (now converted into flats), then as a station shed and toilet. It is now in occasional use for storage and during events such as the long running 'Art in the Park', organised by Colinton Village Events Group.
- 3.2 Colinton Village Enterprise (CVE) applied for a Community Asset Transfer (CAT) of the Former Coach House in order to establish a new Community Heritage Hub on the banks of the Water of Leith Walkway. On completion of the transfer, it would allow CVE to renovate and refurbish the building to create a community meeting place which inspires practical participation, creative projects and social exchange, between all age groups in Colinton and visitors to the area.
- 3.3 Spylaw Park is an asset of the Common Good. The former coach house is not designated as common good as the building was never in public use. The surrounding land is currently designated as inalienable common good, which precludes sale or long-term leasing of the land without Court approval. This has been discussed with the applicants and it is proposed that in conjunction with the sale of the former coach house, the surrounding land outlined in red on the location plan will be let to CVE on a short-term basis, which is permissible without having to seek Court approval.

4. Main report

- 4.1 Colinton Village Enterprise SCIO has been formed by amalgamating two of Colinton's community organisations – Colinton Village Events Group and Colinton Village Ventures - into a Scottish Incorporated Charitable Organisation, with the

common purpose to advance the development of the Colinton community's rich heritage by promoting social, artistic, recreational and commercial interaction.

- 4.2 CVE submitted a Community Asset Transfer request under Part Five of the Community Empowerment (Scotland) Act 2015 to purchase the property. In accordance with Council policy on Community Asset Transfers, a panel was convened to consider CVE's expression of interest. The panel's recommendation was for CVE to develop their stage 2 (Sustainable Business Case) submission, which involves submitting a business case, valuation, refurbishment plans, and evidencing need through community consultation.
- 4.3 The stage 2 application was received, and the proposal was assessed by the Operational Estates Team using the Community Asset Transfer policy scoring matrix. The result was a strong to a very strong submission. The panel reconvened to consider the submission and it was decided via a unanimous vote to approve the application.
- 4.4 The terms provisionally agreed for the disposal of the property are as follows:
- | | |
|------------|--|
| Purchaser: | Colinton Village Enterprise SCIO; |
| Price | £40,000; |
| Fees | The purchaser is to meet the Council's reasonable legal fees and property administration fees. |

5. Next Steps

- 5.1 Should Committee approve the transfer request, a decision notice will be issued in accordance with the terms of the Community Empowerment (Scotland) Act 2015, setting out the terms noted above and inviting CVE to offer to purchase the property on the agreed terms. The applicant is then afforded a minimum statutory period of at least six months in which to make their offer.
- 5.2 Should Committee be minded to reject the asset transfer request, the applicant has a statutory right to have the decision reviewed by the Council and, should the review be unsuccessful, a subsequent right of appeal to Scottish Ministers.

6. Financial impact

- 6.1 A capital receipt of £40,000 would be received and the Council would be relieved of future maintenance costs. The receipt would be received in financial year 2020/2021.
- 6.2 The applicant obtained an opinion on market value of the property in the amount of £55,000. The market value figure has been verified by one of the Council's registered valuers. Given the proposed scheme's alignment to Council commitments, it is considered that a sale price of £40,000 is justified in this instance. The proposal supports the following commitments:

- 31 Expand training opportunities for adults and young people linking with colleges and expanding vocational education.
- 39. Put exercise at the heart of our health strategy by increasing access to sport and leisure facilities;
- 43. Continue to upgrade our existing parks and plant an additional 1,000 trees in communities. Protect major recreational areas such as the Meadows, Leith Links and Princes Street Gardens;
- 46. Continue to support the city's major festivals which generate jobs and boost local businesses and increase the funding for local festivals and events. Support the creation of further work spaces for artists and craftspeople.

6.3 An asset transfer at less than market value is justified when additional benefits empower communities and align with local and national priorities to enable the delivery of Best Value across the public sector as a whole the benefits should also contribute to the authority's policy objectives and local priorities. The CVE Business Case evidences the range of Council Commitments that will be met, noted above.

6.4 The proposed sale price has also been considered in relation to The Disposal of Land by Local Authorities (Scotland) Regulations 2010, which provides that where the disposal (or lease) is for a consideration less than the best that can reasonably be obtained, a Local Authority can dispose of the asset, provided it follows certain steps:

- It appraises and compares the costs and dis-benefits of the proposal with the benefits;
- It satisfies itself the proposed consideration for the disposal in question is reasonable; and
- It determines that the disposal is likely to contribute to the promotion or improvement of any one of: economic development or regeneration, health, social well-being, or environmental well-being, of the whole or any part of the area of the local authority or any person in the local authority area.

6.5 The proposals align with Council commitments and contributes to these criteria therefore the proposed sale price is considered justifiable.

7. Stakeholder/Community Impact

7.1 Consultation was undertaken through the CAT advisory panel. The panel consisted of various stakeholders, councillors and community groups which ensured broad analysis and guidance and eventual approval of the application. Participants in the panel included Ward members, representatives of CVE, Parks and Greenspaces, South West Locality, Edinburgh & Lothians Greenspace Trust and Council estates team officers.

7.2 As part of the CAT Stage 2 Business Case Submission, CVE have consulted widely in the community with regards to the future use of the former coach house. Detail on the consultations undertaken can be found in the CVE Business Case which is available for reading using the link at 8.1 below.

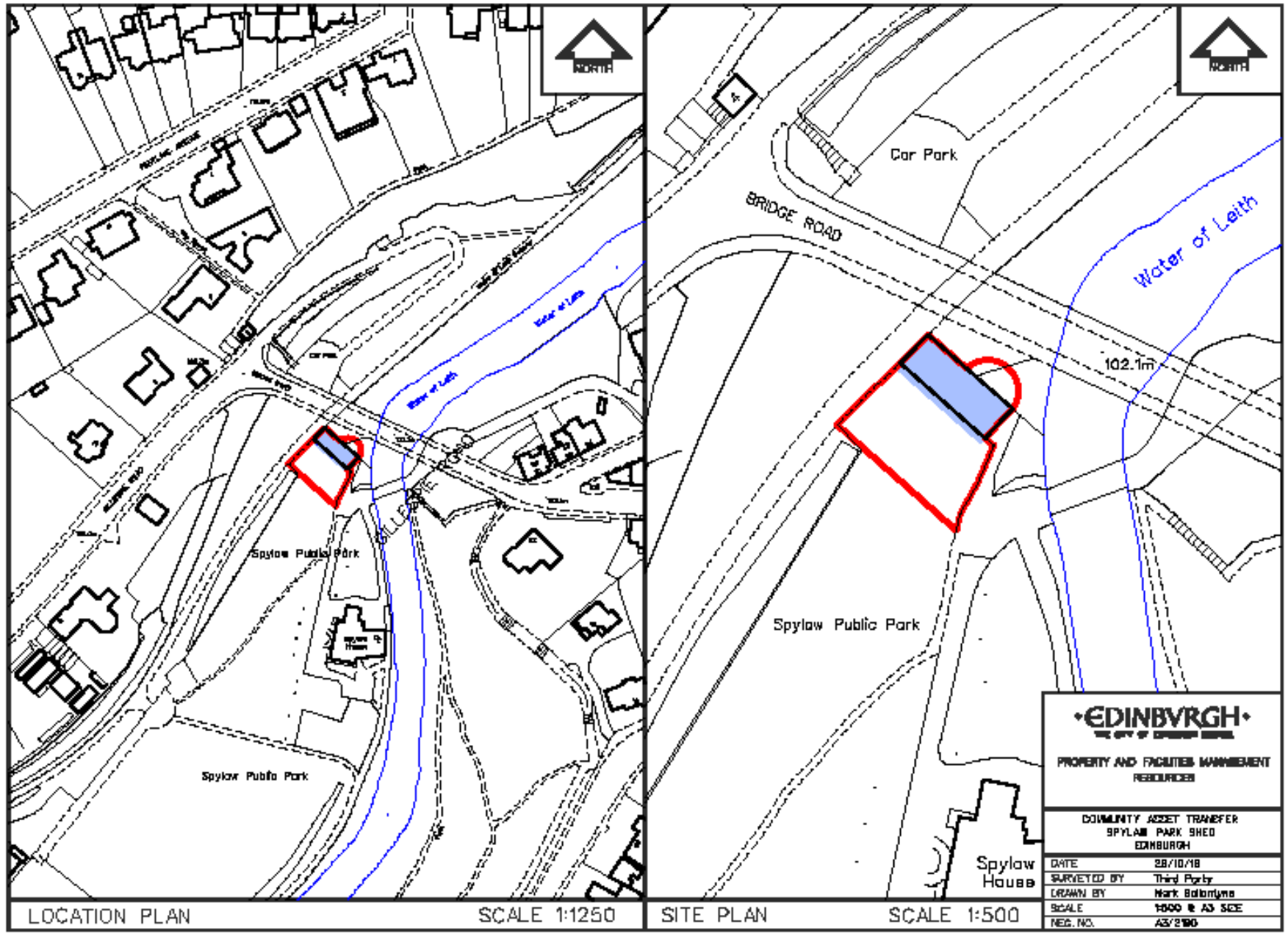
- 7.3 The impact on sustainability has been considered. There is no negative impact on the environment as the result of the proposed sale.

8. Background reading/external references

- 8.1 [CAT Stage 2 Submission](#)
8.2 [Community Asset Transfer Policy](#)

9. Appendices

- 9.1 Appendix 1 - Location Plan



•EDINBURGH• THE CITY OF EDINBURGH	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
COMMUNITY ASSET TRANSFER SPYLAW PARK SHED EDINBURGH	
DATE	28/10/18
SURVEYED BY	Third Party
DRAWN BY	Mark Bolandys
SCALE	1000 @ AS SIZE
NEG. NO.	AS/2100

THIS SHED IS DERIVED FROM READING SURVEY MATERIAL, WITH FEATURES & DIMENSIONS SHOWN TO BE BELIEVED TO BE CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF. THE CITY OF EDINBURGH ACCEPTS NO LIABILITY FOR ANY LOSS OR DAMAGE TO PERSONS OR PROPERTY ARISING FROM THE USE OF THIS INFORMATION.

Finance and Resources Committee

10.00am, Thursday 5 March 2020

4 Duncan Place – Community Asset Transfer

Executive/routine	Routine
Wards	13 – Leith
Council Commitments	2 , 7 , 31 , 33 , 34 , 35 , 39 , 40 , 46 , 51 , 52

1. Recommendations

- 1.1 That Committee approves the disposal of part of the former Resource Centre at 4 Duncan Place to the Duncan Place community group on the terms as specified in the Community Asset Transfer request and on such other terms and conditions to be agreed by Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Craig Lamont, Senior Estates Surveyor,

Property and Facilities Management Division, Resources Directorate

E-mail: craig.lamont@edinburgh.gov.uk | Tel: 0131 529 5983

4 Duncan Place – Community Asset Transfer

2. Executive Summary

- 2.1 This report seeks authority to dispose of part of the former Resource Centre located at 4 Duncan Place Edinburgh to the Duncan Place community group on the terms as specified in the Community Asset Transfer request which are outlined in this report. The proposed sale is a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

3. Background

- 3.1 The former Resource Centre building at Duncan Place housed a community centre and the gym hall and nursery accommodation for Leith Primary School. Following a succession of issues with the condition of the building, the facility was closed in September 2014 to allow intrusive surveys to be carried out.
- 3.2 On 9 December 2014, the Education, Children and Families Committee considered the outcome of the surveys and approved that the building should be demolished, and further work carried out to establish the options for replacement.
- 3.3 On 6 October 2015, the Education, Children and Families Committee approved that, due to the listed building status of part of the property, that part of the building should be retained. Committee also approved that a working group be set up to take forward discussions with the Duncan Place Management Committee, now renamed Duncan Place, to progress the possibility of a community asset transfer of the part of the building that would be retained. The location and floor plans for this part are contained within appendices 9.1 and 9.2.
- 3.4 A working group was formed to take the project forward with Duncan Place with a remit to work together in applying for substantial external grant funding to renovate and upgrade the building to a condition suitable for occupation as a community facility.
- 3.5 On 12 June 2018, the Finance and Resources Committee noted the outcomes of the capital funding package; that construction work had commenced; and approved the principle of a Community Asset Transfer to assist Duncan Place in further revenue grant funding applications.

- 3.6 Duncan Place submitted a formal Community Asset Transfer request to purchase the building on 14 November 2019. The purpose of this report is to finalise the approval of the Community Asset Transfer.

4. Main report

- 4.1 The decision of Committee, on 12 June 2018, facilitated the award of Big Lottery revenue funding of £425,270 to Duncan Place. This will be used to furnish the building, employ a Development Manager and cover building running costs and staff wages for the first five years of operation. The annual grant funding reduces year on year so that after year five Duncan Place receives no outside assistance, with the business case projecting that it will be self-financing by that time. The funding was conditional upon the asset transfer being for the heritable interest of the building.
- 4.2 Progressing on from the Working Group, Duncan Place submitted a formal Stage 2 [Community Asset Transfer](#) request under Part Five of the Community Empowerment (Scotland) Act 2015 to purchase the property. In accordance with Council policy on Community Asset Transfers, a panel comprising of elected members, council officials, third-party business leaders and the applicants was convened to consider the request. Prior to the panel meeting, the proposal was assessed using the Community Asset Transfer policy scoring matrix, which resulted in a strong, to very strong submission.
- 4.3 The request is to transfer the heritable interest of the building to Duncan Place at nil value. Scottish Government Guidance on community asset transfers clarifies that Local Authorities have a duty to secure Best Value for public money and can sell, or lease, at less than market value where there are wider public benefits to be gained from a transaction. In making a case for the transfer of an asset at less than market value, the Best Value themes must be evident and positive outcomes for a more prosperous and fairer Scotland should be the result. The matters which the relevant authority must consider include the following types of benefit:
- Economic development;
 - Regeneration;
 - Public health;
 - Social wellbeing;
 - Environmental wellbeing;
 - Reducing inequalities of outcome from socio-economic disadvantage; and
 - Any other benefits that might arise through the alternative use of the asset.
- 4.4 An asset transfer at less than market value is justified when these additional benefits empower communities and align with local and national priorities to enable the delivery of Best Value across the public sector as a whole. The benefits should also contribute to the authority's policy objectives and local priorities. The Duncan

Place Business Case evidences a wide range of Council Commitments that will be met as referenced in the header of this report.

- 4.5 Following the Government Guidance to address a transfer request at nil value, an independent joint valuation was carried out by Ryden Chartered Surveyors. Based on the asset being 'locked' for a community use, the value of the refurbished and upgraded property was placed at £750,000. Without the refurbishment grants being available and this listed property remaining in a near derelict condition, not only would the Council's liabilities and running costs have remained, but the value of the asset would be significantly lower.
- 4.6 The Guidance suggests that expert opinion may need to be sought to assess effectively the financial implications, the Best Value considerations and/or the proposed benefits. Duncan Place therefore commissioned an independent Social Impact Assessment of their planned activities to quantify the social worth of their proposals. Improvements in education & skills, employment & economy, health, housing, social services and a reduction in crime were all evaluated, resulting in an estimated saving to statutory services of £7,212,320 when taken over a period of ten years. The Social Impact Assessment Diagram is found at Appendix 9.3 and full details of the assessment are available in the Business Plan submitted with the Asset Transfer request. The predicted savings to statutory services arising from the Duncan Place proposals over a period of just ten years significantly exceeds the market value of the property. The transfer of this asset to Duncan Place for a nil purchase price demonstrates best use of the asset as well as achieving significant savings and best value to the Council, it's partners and to other authorities.
- 4.7 Compared with costs of maintaining other buildings whilst temporarily empty, the cost to the Council of retaining 4 Duncan Place in its previously un-occupiable condition is likely to have been in the region of £40,000 per annum.
- 4.8 In the event that the project does not meet its objectives, or it is discontinued or wound up, the future use and ownership of the building is determined by Section 80(2)(b) of Part Five of the Community Empowerment (Scotland) Act 2015. The intent being that should Duncan Place be wound up, a similar community or charitable use should continue with the building, failing which the asset reverts to the Scottish Ministers or to such charity as the Scottish Ministers may direct. Under the Guidance there is also the opportunity to protect the discount given on the purchase price whereby the authority can recover the property if it is no longer used by the community body for the agreed purpose or the body is wound up.
- 4.9 In summary, the terms proposed for the disposal of the property are as follows:
- | | |
|------------|--|
| Purchaser: | Duncan Place |
| Price | £nil |
| Fees | The purchaser is to meet the Council's reasonable legal fees and Property and Facilities Management's administration fee |

- 4.10 The Stage 2 Community asset transfer request was presented to the panel on 19 December 2019, and having considered the submission, decided via a unanimous vote to recommend the asset transfer request for approval.
- 4.11 Notwithstanding the justification above, the particular history of this project merits consideration. The instruction from Education, Children and Families Committee, on 15 October 2015, to set up a working group had the specific intent of achieving the outcomes detailed in this report.

5. Next Steps

- 5.1 Should Committee approve the transfer request, a decision notice will be issued in accordance with the Community Empowerment (Scotland) Act 2015, setting out the terms noted above and inviting Duncan Place to submit a legal offer to purchase the property on the terms detailed in their asset transfer request. The applicant is then afforded a minimum statutory period of at least 6 months in which to make their offer. Duncan Place can progress their legal offer more rapidly than this if they choose and it is understood that they are in the position to expedite this sooner than the six months timeline.
- 5.2 Should Committee be minded to reject the asset transfer request, the applicant has a statutory right to have the decision reviewed by the Council and, should the review be unsuccessful, a subsequent right of appeal to Scottish Ministers.

6. Financial impact

- 6.1 Without significant Council investment, the property could have lain derelict and unusable for some time, incurring security and vacant property costs as well as ongoing maintenance liabilities for the Council. Opportunities to dispose of a derelict listed building of this size and type in this location on the open market would prove challenging, with the physical listed attributes limiting significantly the capital receipt obtainable from a sale.
- 6.2 The property has been fully refurbished principally using externally sourced grants which were available for bringing buildings meeting certain qualifying criteria back into beneficial use and occupation. These grants would not have been obtainable by the Council in isolation or for refurbishing the building for a commercial use. Without these funds this listed building which was deemed 'at risk', would have remained a liability and in a near derelict condition, requiring considerable Council investment to bring it back into use.
- 6.3 Successfully applying for capital grant funding of £1,464,750 and Lottery revenue funding of £425,270 has rescued this listed building from becoming a derelict liability, returning it to a beneficial use with significant potential social worth.
- 6.4 The proposed nil sale price has also been considered in relation to The Disposal of Land by Local Authorities (Scotland) Regulations 2010, which provides that where the disposal (or lease) is for a consideration less than the best that can reasonably

be obtained, a Local Authority can dispose of the asset, provided it follows certain steps:

- It appraises and compares the costs and dis-benefits of the proposal with the benefits;
- It satisfies itself the proposed consideration for the disposal in question is reasonable; and
- It determines that the disposal is likely to contribute to the promotion or improvement of any one of: economic development or regeneration, health, social well-being, or environmental well-being, of the whole or any part of the area of the local authority or any person in the local authority area.

6.5 The Duncan Place proposals align with many Council commitments and contributes to these criteria therefore the proposed sale price is justifiable.

7. Stakeholder/Community Impact

- 7.1 Duncan Place has consulted widely in the community with regards to the future uses and services to be provided in the building. Results of the consultations form an important part of the Stage 2 CAT Business Case Submission which is available for reading using the link at 8.1 below.
- 7.2 Stakeholders involved in the working group and the CAT Panel comprised elected members, the chair of Leith Links Community Council, the North East Locality Manager and council officers involved with the project.
- 7.3 The ward members were actively involved in the Working Group and took a leading role in the CAT Panel.
- 7.4 An Integrated Impact Assessment was previously carried out and the outcomes reported to committee on 12 June 2018. A positive impact will result for many varied community and disadvantaged groups who intend making use of the building. A negative impact for the Council, community groups and other local groups would result if the project does not proceed.
- 7.5 The impacts on climate change were also reported earlier to committee, the outcomes being that the proposals will increase the city's resilience to climate change, helping to achieve a sustainable Edinburgh, as a result of reduced carbon emissions arising from the SEEP2 energy efficiency improvement works.

8. Background reading/external references

- 8.1 [Stage 2 Community Asset Transfer Request and Business Plan with Additional Documents](#)
- 8.2 [CEC Community Asset Transfer Policy](#)
- 8.3 [Community Empowerment \(Scotland\) Act 2015](#)
- 8.4 [Education, Children and Families Committee 9 Dec 2014](#)
- 8.5 [Education, Children and Families Committee 6 Oct 2015](#)

8.6 [Education Children and Families Committee 22 May 18 - Business Bulletin](#)

8.7 [Finance and Resources Committee 12 June 2018](#)

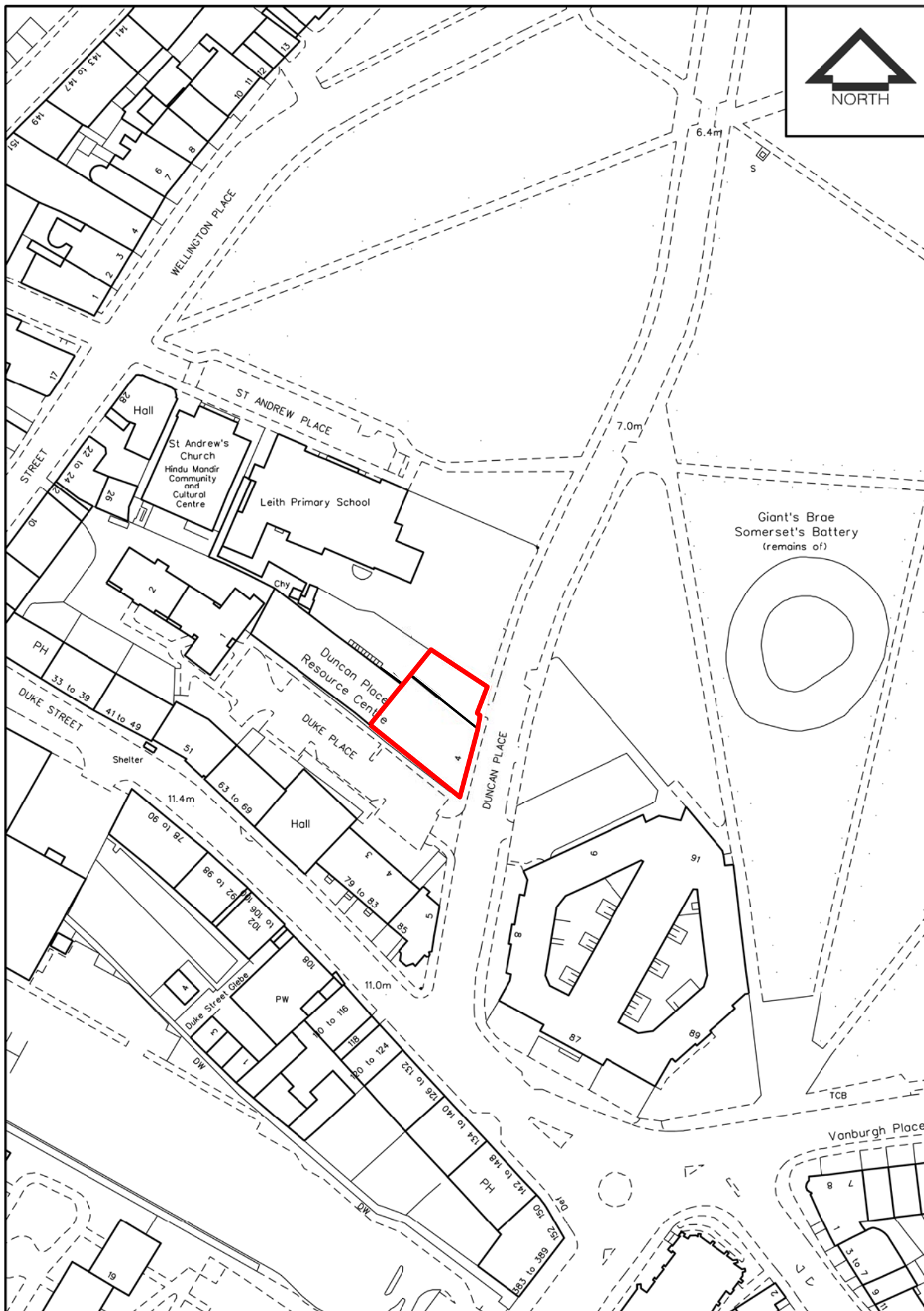
8.8 Duncan Place website: <http://duncanplace.org>

9. Appendices

9.1 Location Plan

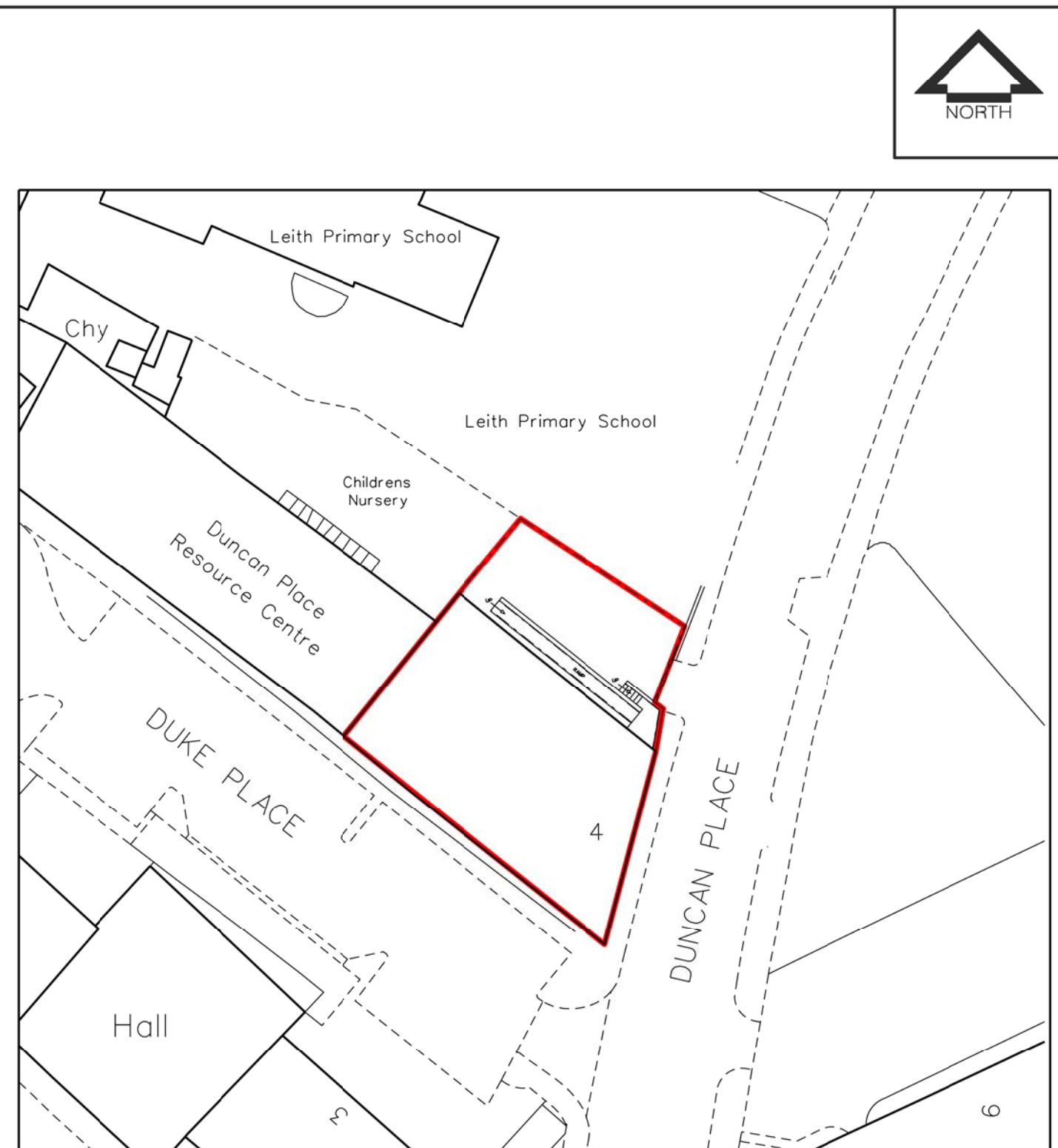
9.2 Duncan Place Floor Plans

9.3 Social Impact Assessment Diagram



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:500

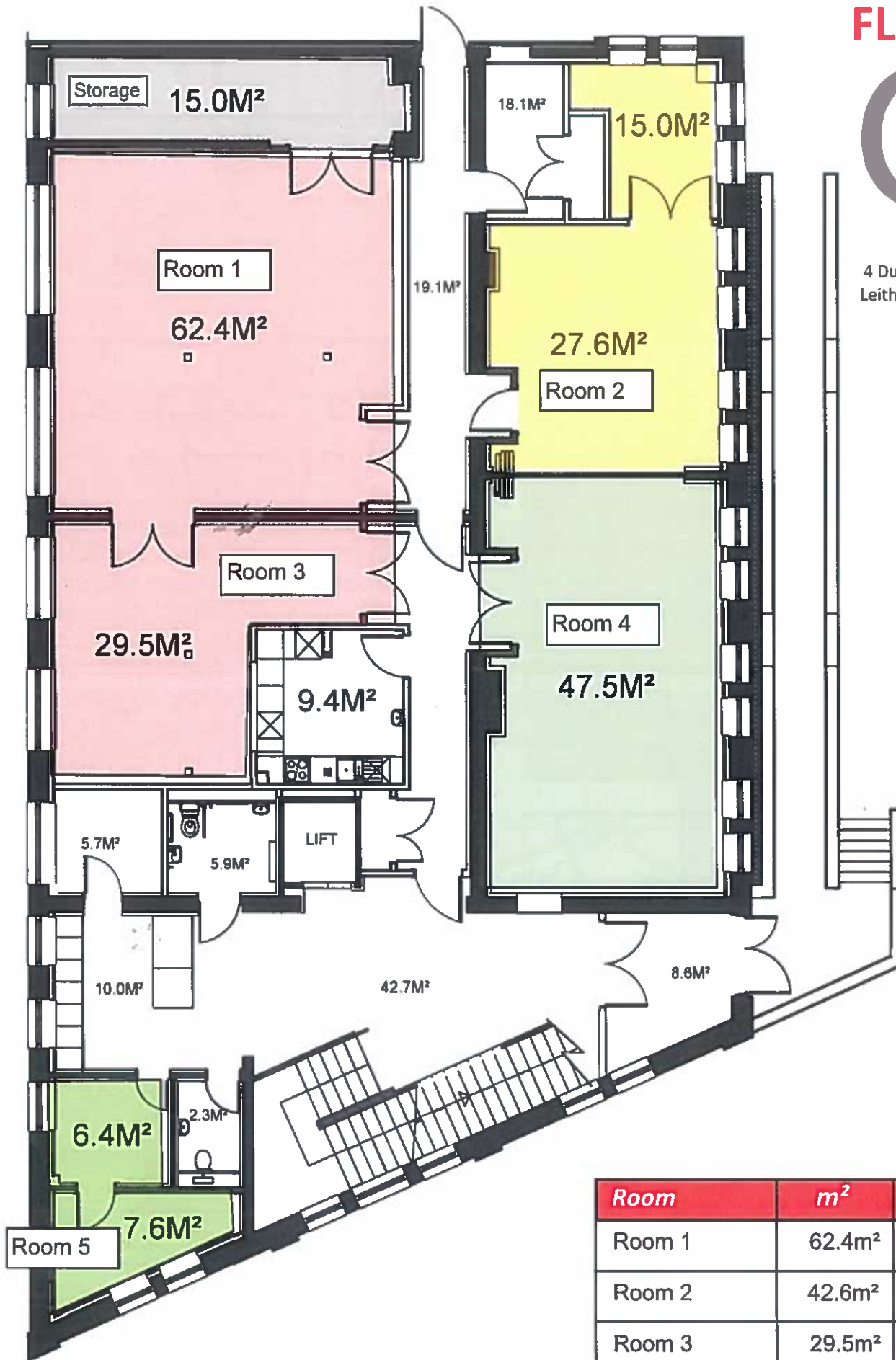


• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
4 DUNCAN PLACE EDINBURGH	
DATE	28/11/19
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/2201

FLOOR

G

4 Duncan Place
Leith, EH6 8HW

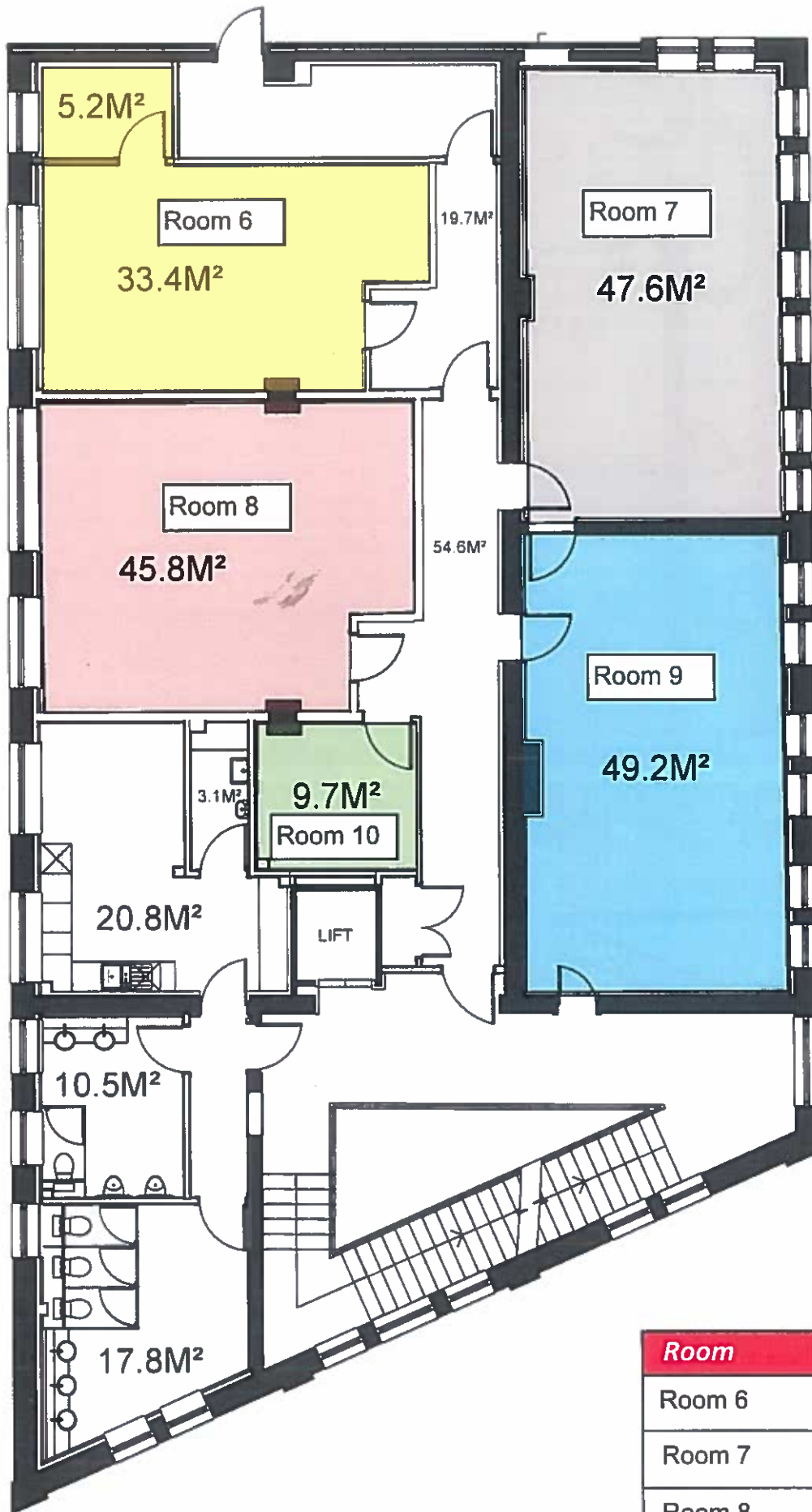


Room	m ²	f ²
Room 1	62.4m ²	671.7f ²
Room 2	42.6m ²	297.1f² 458.5
Room 3	29.5m ²	317.5f ²
Room 4	47.5m ²	511.3f ²
Room 5	14.0m ²	150.7f ²

FLOOR

1

4 Duncan Place
Leith. EH6 8HW

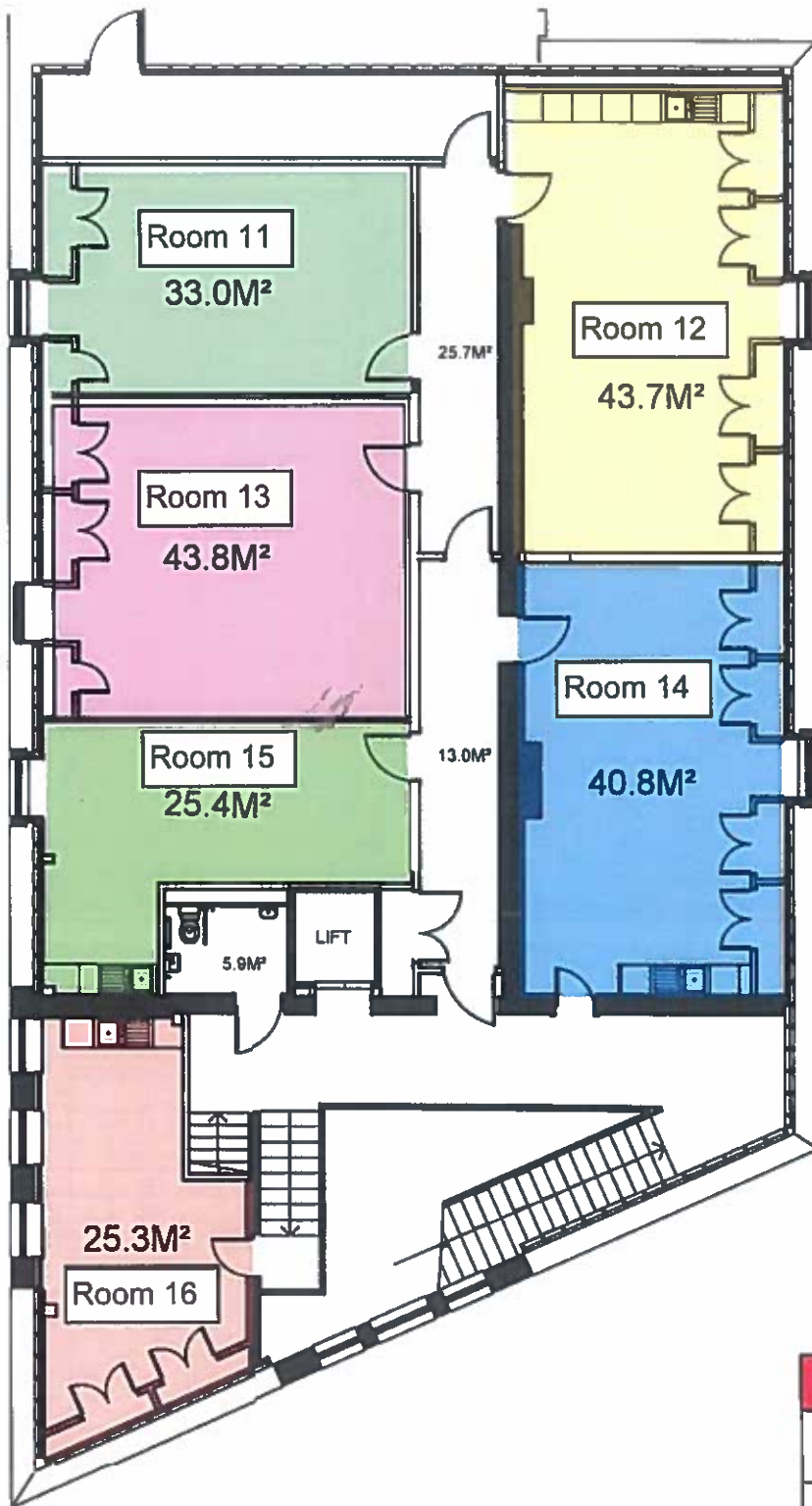


Room	m ²	f ²
Room 6	38.6m ²	415.5f ²
Room 7	47.6m ²	512.4f ²
Room 8	45.8m ²	486.5f ²
Room 9	49.2m ²	529.6f ²
Room 10	9.7m ²	104.4f ²

FLOOR

2

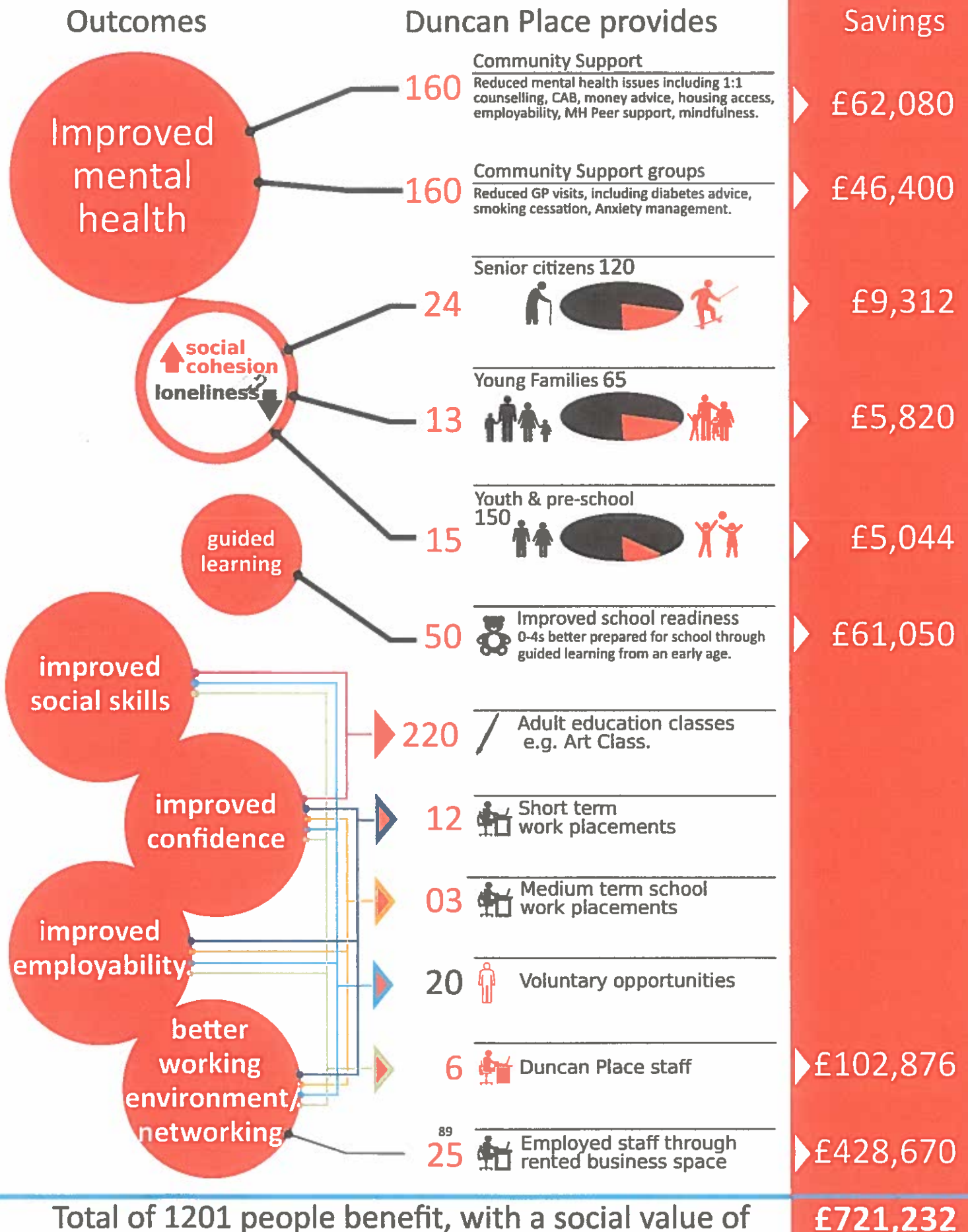
4 Duncan Place
Leith, EH6 8HW



mezzanine rooms		
Room 16	25.3m ²	272.3f ²
Room 17	28.1m ²	302.5f ²

Room	m ²	f ²
Room 11	33.0m ²	355.2f ²
Room 12	43.7m ²	470.4f ²
Room 13	43.8m ²	471.5f ²
Room 14	40.8m ²	439.2f ²
Room 15	25.4m ²	273.4f ²

Duncan Place and any property agents give notice that: (I) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of an offer or contract; (II) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchaser or tenants should not rely on them as statements or representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (III) no person in the employment of Duncan Place and any property agent have any authority to make or give any representation or warranty whatsoever in relation to this property. Date of preparation of details: May 2019.



Finance and Resources Committee

10.00am, Thursday, 5 March 2020

North Cairntow Gypsy/Traveller Site – Proposed Transfer to Housing Revenue Account

Executive/routine	Routine
Wards	17 – Portobello/Craigmillar
Council Commitments	1 , 11

1. Recommendations

1.1 That Committee:

- 1.1.1 The Housing service has been working with the residents on the North Cairntow Gypsy/Traveller site since 2017 to improve the site. A final design has been agreed with residents for a redevelopment of the site. This report seeks approval to transfer the site from the General Fund to the Housing Revenue Account (HRA) to allow the improvement project to form part of the 2020/21 HRA capital programme.

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

North Cairntow Gypsy/Traveller Site – Proposed Transfer to Housing Revenue Account

2. Executive Summary

- 2.1 The Housing service has been working with the residents of the North Cairntow Gypsy/Traveller site to improve the site since 2017 and a final design has been agreed for a redevelopment of the site. This report seeks approval for the site to transfer from the General Fund to the Housing Revenue Account (HRA) to allow the project to form part of the 2020/21 HRA capital programme.

3. Background

- 3.1 The North Cairntow site currently provides 20 pitches and extends to approximately 1.94 hectares (4.79 acres) as shown outlined in red on the attached plan.
- 3.2 The Scottish Government published [‘Improving Gypsy Traveller Sites – Guidance on minimum standards, and site tenants’ core rights and responsibilities’](#) in 2015, which sets out minimum site standards for Gypsy/Traveller sites provided by Local Authorities and Registered Social Landlords.
- 3.3 A [follow-up report](#) was published in May 2018, reviewing the progress of social landlords made to meeting the standards set out in the 2015 publication. The North Cairntow site has reported meeting 21 of the 26 indicators at the time, with three indicators non-applicable, one not explicitly stated and one not met (relating to access roads). The progress report also noted that the minimum site standards became part of the Scottish Social Housing Charter.
- 3.4 There has been an increased effort from the local and central governments to improve the lives of the Gypsy/Travellers communities. A [Ministerial Working Group](#) was set up in 2018 to address the inequalities experienced by the Gypsy/Traveller communities in housing, education, health, employment and any cross-cutting issues, such as community cohesion.
- 3.5 A joint action plan [‘Improving the lives of Gypsy/Travellers: 2019-2021’](#) by the Scottish Government and Convention of Scottish Local Authorities (COSLA) was published in October 2019, with commitments to:

- Provide more and better accommodation;
- Improve access to public services;
- Improve incomes in and out of work;
- Tackle racism and discrimination; and,
- Improve Gypsy/traveller representation at national and local level

4. Main report

- 4.1 Although the property is held on the General Fund, the Housing Service is responsible for the management of the site. This includes letting of the pitches, tenancy management, service charge (rent) collection and managing rent arrears, and repairs and maintenance of the properties on site. A housing officer is responsible for the day-to-day management of the site and has an office on site.
- 4.2 The Housing Service has been working with the residents since 2017 to improve the site conditions. Through regular meetings with the local community on the minimum site standards, feedback from the local survey and joint development of a community hub on site, it became clear that the community was interested in moving to a purpose-built chalet style type of property. Residents and officers have worked together with an architect for a site redesign through a series of consultation sessions.
- 4.3 Final design has now been agreed with the community, with a plan to commence construction on site in 2020/21. The total cost of the improvement project is estimated to be circa £2.3m.
- 4.4 Residents are currently given an occupancy agreement for the use of the pitches and amenity block on site, by paying for a service charge. Upon the completion of the improvement project, residents will be given a Scottish Secure Tenancy and become a Council tenant, by paying rent into the HRA.
- 4.5 In order to align the ownership and management and for the improvement project to become part of the 2020/21 HRA capital programme, it is necessary to transfer the site from the General Fund.

5. Next Steps

- 5.1 Following approval of the terms by Finance and Resources Committee, the site will transfer from the General Fund to the Housing Revenue Account, subject to any Ministerial consent that may be required.

6. Financial impact

- 6.1 The Housing service currently manages a range of tenancy management related activities with no cost impact on the General Fund. Any income generated from service charges is currently collected through the Housing Service.
- 6.2 Upon the completion of the improvement projects, the HRA will receive rental income from the residents/ tenants on site.
- 6.3 The site will transfer at nil value.
- 6.4 The [‘Improving the lives of Gypsy/Travellers: 2019-2021’](#) joint action plan committed a £2 million investment on public sector Gypsy/Traveller sites. The Council can expect a share of this grant funding being made available to local authorities to support the required investment needed to Gypsy/Traveller sites. The grant will be given as General Fund capital grant and the mechanism for making sure this is paid to the HRA will follow the same principle as the Transfer Management of Development Funding (TMDF) grant. The current practice exists where TMDF grant contributes to the HRA in support of new build affordable housing.

7. Stakeholder/Community Impact

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

8. Background reading/external references

N/A

9. Appendices

Appendix 1 - Location Plan



Duddingston Recreation Ground

Duddingston Golf Course

Braid Burn

41.8m

NORTH CAIRNTOW

NORTH CAIRNTOW

Peffer Business Centre

Sports Court

Peffer Industrial Estate

Prestonfield Park

Holyrood Business Park

EDINBURGH
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

LAND AT NORTH CAIRNTOW
DUDDINGSTON ROAD WEST
EDINBURGH
AREA = 1.94Ha (or thereby)

DATE	4/2/20
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2233

SITE PLAN

SCALE 1:1250

Page 559

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Land at Meadowbank (Site C), Edinburgh – Proposed Transfer to Housing Revenue Account

Executive/routine	Routine
Wards	14 – Craigenfinny/Duddingston
Council Commitments	1, 2, 10, 11

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the transfer of land referred to as Site C Meadowbank, Edinburgh to the Housing Revenue Account (HRA) on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

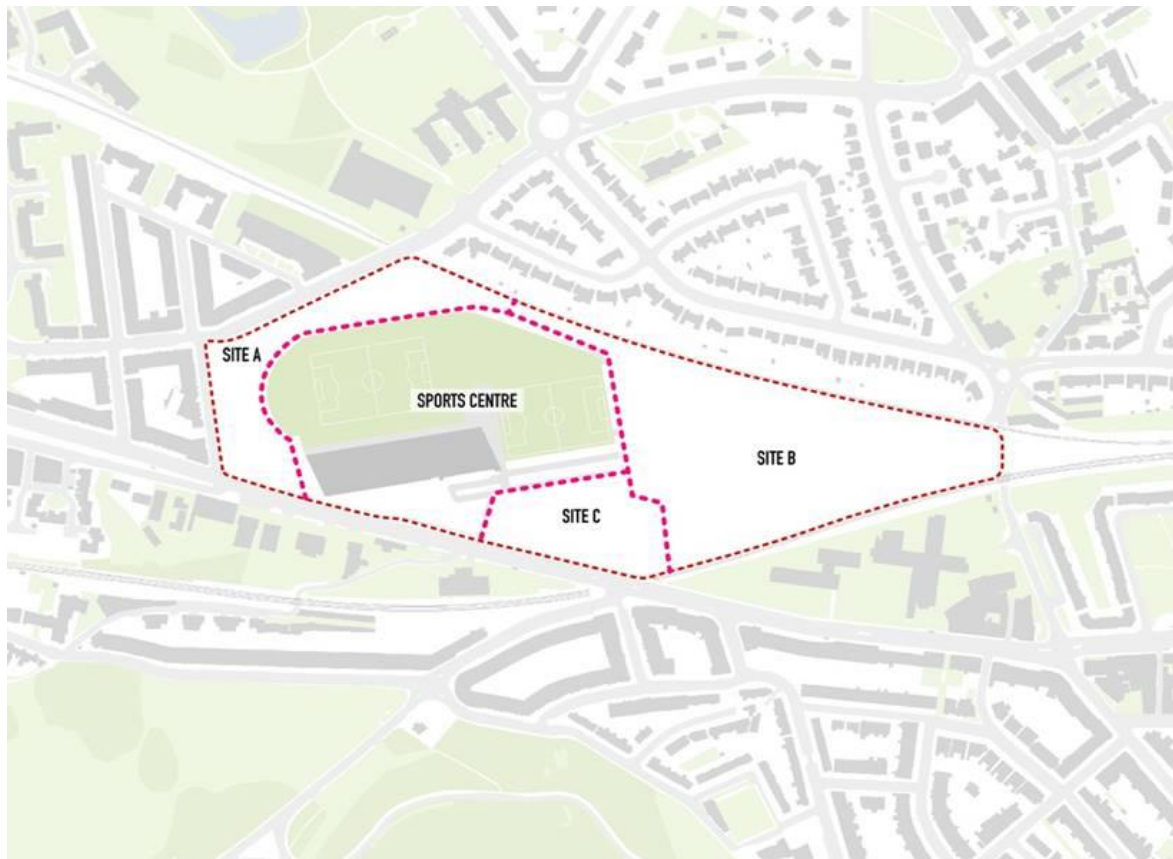
Land at Meadowbank (Site C), Edinburgh – Proposed Transfer to Housing Revenue Account

2. Executive Summary

- 2.1 In March 2016, the Council approved the transfer of Sites A and B within the surplus land at Meadowbank to the Housing Revenue Account (HRA) for residential development. At that time, it was proposed that the remaining site, site C, would be placed on the open market for sale for private development.
- 2.2 In response to extensive community consultation, the masterplan for the wider site now proposes that site C is high density housing for rent and forms part of the Council led development. In order to progress with the delivery of new homes and to secure grant funding to support the delivery of affordable housing this report seeks approval to transfer Site C to the Housing Revenue Account.

3. Background

- 3.1 On 10 March 2016, [the City of Edinburgh Council](#) approved a report outlining the proposed funding package for the new Meadowbank Sports Centre. The report noted that capital receipts from the disposal of the surplus land adjoining the new sports centre was a key element of the funding package for the new facility.
- 3.2 The surplus land has been divided into three areas – A, B and C – as shown below. Following work to assess the viability of the site for a Council led housing development, the March 2016 report approved the transfer of Sites A and B to the HRA.



- 3.3 On 29 June 2018, the Council's Development Management Sub Committee granted planning permission in principle (PPP) for the mixed-use development of the surplus land. The possible permitted uses included residential, student accommodation, commercial and retail use.
- 3.4 A condition of the planning permission in principle was for extensive community and stakeholder consultation to be undertaken before submitting further proposals for the surplus land.

4. Main report

- 4.1 Since the approval to transfer Sites A and B to the HRA, in March 2016, several options have been considered for Site C which included placing the site on the market for commercial development or development of the site as student accommodation.
- 4.2 Following extensive community engagement since the PPP was granted, it has become apparent that community aspirations are for predominately residential led development with ancillary commercial space. Therefore, a commercial/student led development of Site C would be incompatible with these place making aspirations for the site and surrounding area.
- 4.3 Consequently, all areas of the land surrounding the new sports centre (A, B and C) will be taken forward as a housing led development within a wider masterplan for submission to the Planning Committee. The delivery strategy setting out the

objectives for the site was agreed at the Housing, Homelessness and Fair Work Committee on the 29 August 2019. This includes a minimum of 35% affordable housing.

- 4.4 On the basis that Site C will be developed for residential use, it is logical to transfer the land to the HRA in addition to Sites A & B. This will allow the HRA to have overall control of the site and provide options for the procurement of a development partner similar to the process underway at Fountainbridge.
- 4.5 Transferring the site to the HRA will also allow the drawdown of Affordable Housing Supply Programme (AHSP) grant funding from the Scottish Government for new affordable homes.
- 4.6 A transfer figure of £6.3 million has been agreed. The figure is based on the assessment by Property and Facilities Management of the value of the site for residential led development with the standard level of affordable provision.
- 4.7 Whilst it is possible that a higher gross land value could be achieved should the site be placed on the market, a transfer to the HRA gives certainty over the level of receipt which would be payable within a shorter timescale as it is not conditional on detailed planning consent being in place.
- 4.8 Retaining the site in Council ownership also provides flexibility in the future place making/regeneration opportunities for the wider Meadowbank area.

5. Next Steps

- 5.1 Following approval of the terms by Finance and Resources Committee, the site will transfer from the General Fund to the Housing Revenue Account.

6. Financial impact

- 6.1 A capital receipt of £6.3 million (inclusive of fees) will be received by the General Fund.
- 6.2 The receipt will form part of the funding package for the Meadowbank Stadium project. While this is less than might have been achieved through an open market sale, an adjustment to the capital programme through the budget process means the proposed transfer does not lead to a shortfall in the funding package.

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 Not applicable

9. Appendices

9.1 Not applicable.

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Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Land at Howdenhall Road, Edinburgh – Proposed Transfer to Housing Revenue Account

Executive/routine	Routine
Wards	16 – Liberton/Gilmerton
Council Commitments	1 , 2 , 10 , 11

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the transfer of land at Howdenhall Road, Edinburgh to the Housing Revenue Account (HRA) on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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 Howdenhall Road, Edinburgh – Proposed Transfer to Housing Revenue Account

2. Executive Summary

- 2.1 The development of the current Howdenhall Centre created a development site following the demolition of the original facility. The site has been identified as an opportunity for inclusion in the Council's house building programme and contribute to the delivery of more affordable housing in the City. This report seeks approval to transfer the development site to the Housing Revenue Account.

3. Background

- 3.1 The current Howdenhall Centre was developed through the PPP1 project , opening in 2004, and is operated by the Edinburgh Schools Partnership (ESP). Following completion, the original building, situated to the rear was demolished with the land becoming surplus to requirements.
- 3.2 The land extends to approximately 0.85 hectares (2.10 acres) as shown outlined in red on the attached plan.
- 3.3 The [Strategic Housing Investment Plan \(SHIP\)](#) sets out the Councils commitment to deliver 20,000 affordable homes over the next 10 years alongside it's housing association partners. Transfer of this site to the HRA will allow the project to be progressed as part of the Council's house building programme and contribute to this target.

4. Main report

- 4.1 The Council's house building programme continues to make good progress with 1000 homes completed, over 800 under construction and a further 3000 in design development. The programme requires additional sites to continue with the programme.
- 4.2 An initial feasibility study by the HRA suggests the site is viable for an affordable housing development of approximately 72 units.

- 4.3 Transferring the site to the HRA will allow the drawdown of Affordable Housing Supply Programme (AHSP) grant funding from the Scottish Government for new affordable homes.
- 4.4 A transfer figure of £1.5 million has been agreed. The site value is based on the assessment by Property and Facilities Management of the value of the site for an affordable led housing development.
- 4.5 Whilst it is possible that a higher gross land value could be achieved should the site be placed on the market, a transfer to the HRA gives certainty over the level of receipt which would be payable within a shorter timescale as it is not conditional on detailed planning consent being in place.

5. Next Steps

- 5.1 Following approval of the terms by Finance and Resources Committee, the site will transfer from the General Fund to the Housing Revenue Account.

6. Financial impact

- 6.1 A capital receipt of £1.5 million (inclusive of fees) will be received by the General Fund.

7. Stakeholder/Community Impact

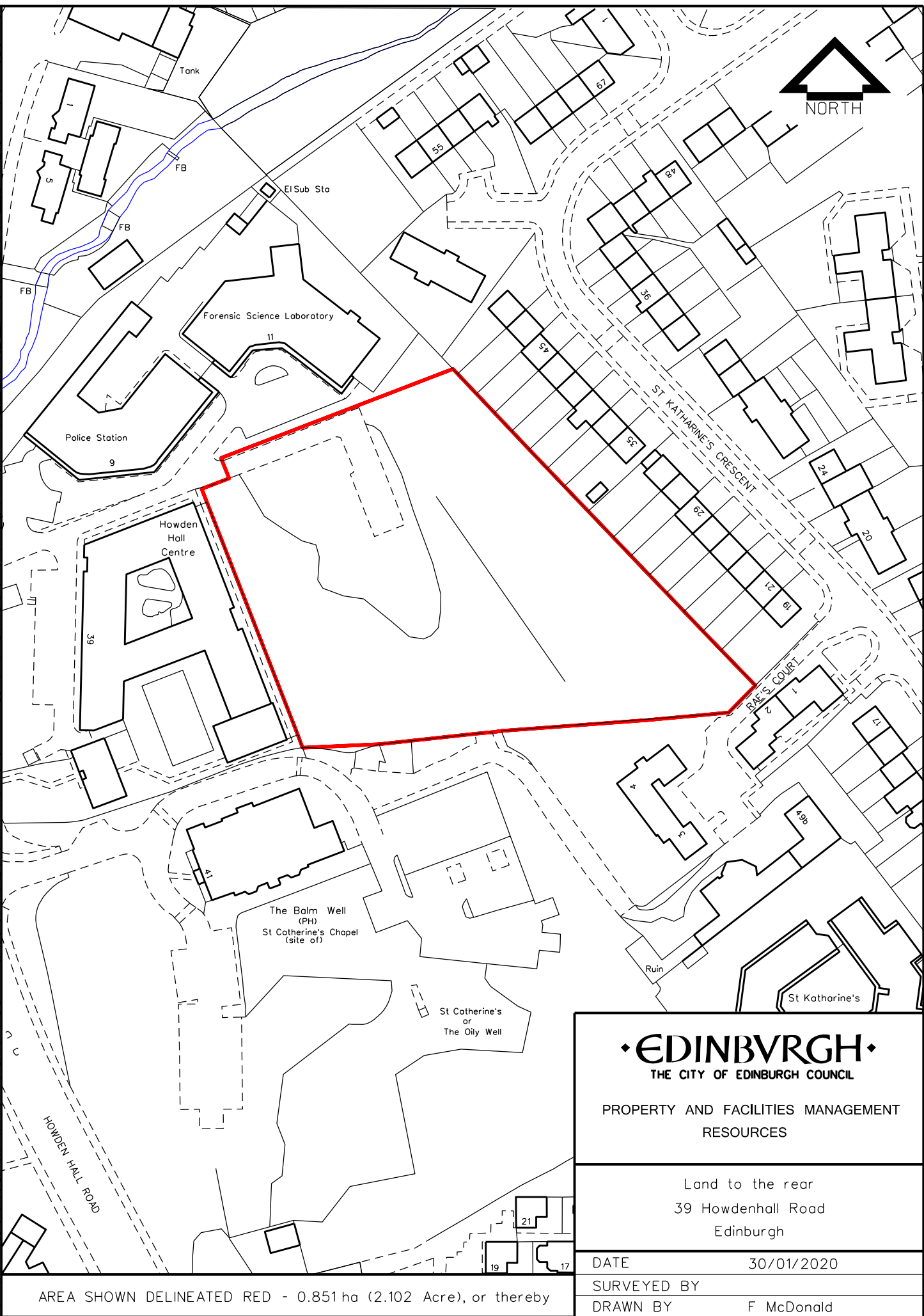
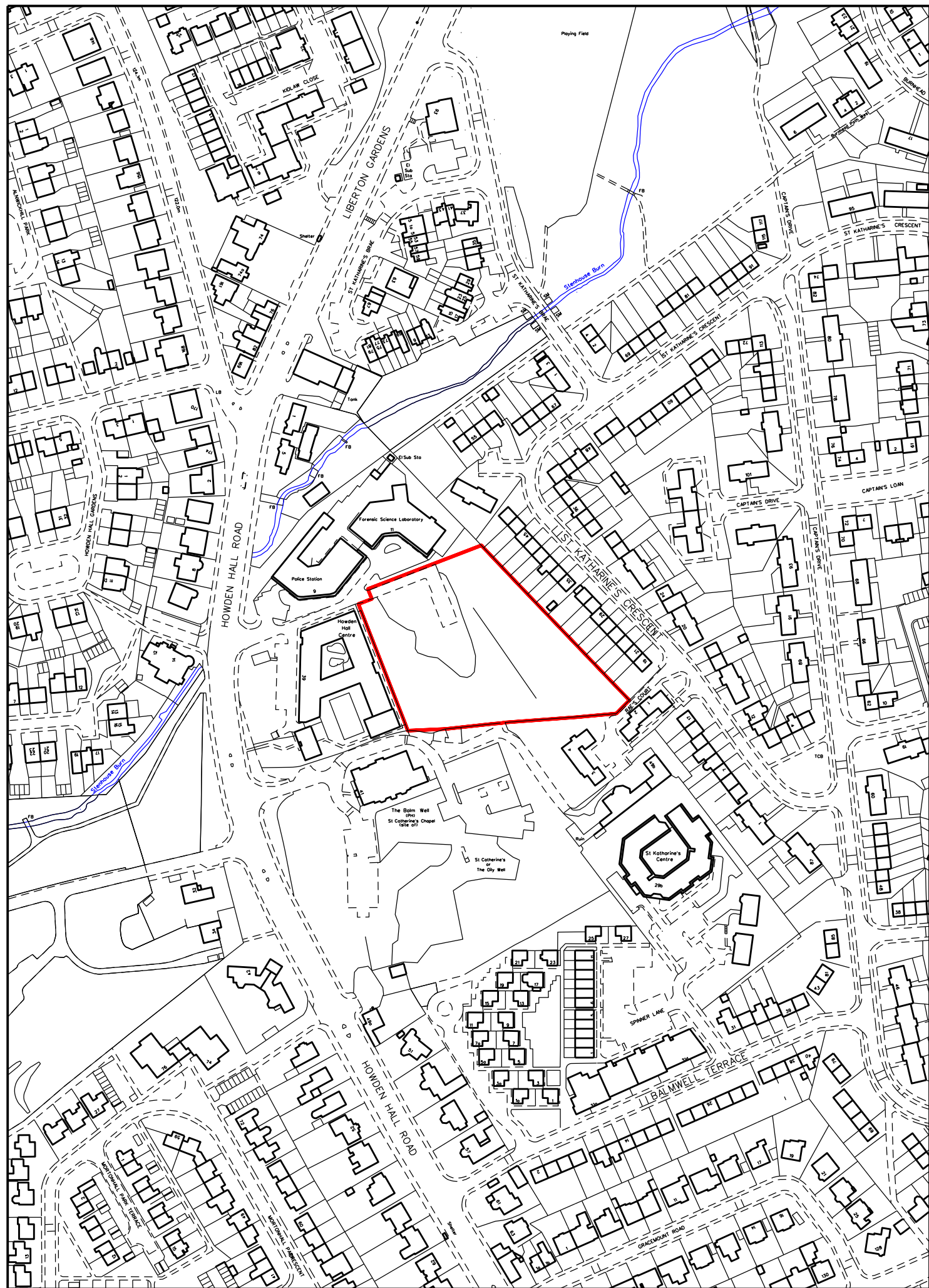
- 7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

Appendix 1 - Location Plan



LOCATION PLAN

SCALE 1:2500

SITE PLAN

SCALE 1:1250

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
Land to the rear 39 Howdenhall Road Edinburgh	
DATE	30/01/2020
SURVEYED BY	
DRAWN BY	F McDonald
SCALE	Plan to scale at A3
PLAN. NO.	NT2768/A3/820 F

AREA SHOWN DELINEATED RED - 0.851 ha (2.102 Acre), or thereby

Finance and Resources

10:00am, Thursday, 5 March 2020

Proposed Capital Spend for Compliance Works at Sholamoor and Springfield Cottages, Penicuik

Executive/routine	Routine
Wards	N/A
Council Commitments	41

1. Recommendations

- 1.1 That Committee approves that part of the capital receipt from the sale of the former school staff house, Cockburn Cottage, can be utilised on urgent compliance works at the neighbouring Sholamoor and Springfield Cottages, Penicuik.

Stephen S. Moir

Executive Director of Resources

Contact: Lesley Dryden, Estates Surveyor

Property and Facilities Management Division, Resources Directorate

E-mail: lesley.dryden@edinburgh.gov.uk | Tel: 0131 529 4600

Proposed Capital Spend for Compliance Works at Sholamoor and Springfield Cottages, Penicuik

2. Executive Summary

- 2.1 The Council owns two former staff houses next to the former City of Edinburgh Council run, Wellington School, near Penicuik. A third house was sold in June 2019.
- 2.2 Both of the remaining houses do not comply with the Scottish Housing Quality Standard and are in need of essential upgrade maintenance. The houses are occupied by the tenants on Scottish Secure Tenancies.
- 2.3 This report seeks approval to utilised part of the capital receipt, from the sale of the third house, to fund upgrade works to the other two properties.

3. Background

- 3.1 The former Wellington School was originally established by the Scottish Office and transferred to the Edinburgh Council at local government reorganisation in 1996. Despite its location near Penicuik, most of the pupils originated from the Edinburgh area. The school is now closed and is in the process of being sold, generating a capital receipt of approximately £1m.
- 3.2 There are three former staff cottages (as shown on the attached plan) located near the former school as follows:
 - 3.2.1 Sholamoor Cottage - This is a detached 1930's three-bedroom dwelling, situated on large plot. It is occupied by an elderly couple, by way of a Scottish Secure Tenancy (SST). This type of tenancy means the occupier has security of tenure for life.
 - 3.2.2 Springfield Cottage - This is a smaller, terraced property which is also occupied under an SST.
 - 3.2.3 Cockburn Cottage - After this property became vacant, it was sold in June 2019 for £130,116. The property was in poor condition and was sold as a redevelopment plot.
- 3.3 The two cottages remaining in Council ownership are in poor condition with Sholamoor being particularly affected. The works for Sholamoor were tendered in 2014, however the works did not proceed due to lack of funding. A further condition report and tender documents were prepared in September 2019. The position,

especially for Sholamoor is now urgent with major issues identified including dry rot in the flooring.

- 3.4 The Housing Act 2004 stipulates a requirement for all Councils to bring residential dwellings up to the Scottish Government's Scottish Housing Quality Standard. The remaining former janitorial houses presently fail the Scottish Housing Quality Standard (SHQS) which means action is required.
- 3.5 In 2017, the Council approached Midlothian Council with a view to agreeing a transfer of the houses, however Midlothian Council were unwilling to accept them due to their poor state of repair.

4. Main report

- 4.1 The works highlighted within the Scottish Housing Quality Standards report for Sholamoor are all classified as urgent essential upgrades. The estimated cost for these works is approximately £68,000.
- 4.2 An assessment is currently being undertaken of Springfield Cottage and the final cost is not yet available. Given this property is in better condition, it is anticipated that the costs will be lower than those for Sholamoor.
- 4.3 The Council is required to carry out the works and it is proposed that they are funded from the capital receipt generated from the sale of Cockburn Cottage.
- 4.4 As well as meeting the legal requirements under SHQS, undertaking the works will preserve the value of the assets.
- 4.5 Assuming all the works are undertaken, to a good standard, and the house is then maintained, Sholamoor could achieve a market value within the region of £325,000 once it becomes vacant. On a similar basis, i.e. in good condition, Springfield Cottage could achieve a market value within the region of £225,000.
- 4.6 Should no action be taken, and the properties fall into further disrepair, the market value would depreciate to a range of £90,000 - £125,000.

5. Next Steps

- 5.1 If Committee approve the capital spend, the procurement process can commence immediately for Sholamoor using the tender documentation produced in September 2019.
- 5.2 Once the survey for Springfield Cottage, the next step is to identify the essential works, the estimated costs and to produce the necessary tender documents.

6. Financial impact

- 6.1 The proposal is to utilise part of the capital receipt from the sale of Cockburn Cottage to fund the works. The cost can be easily contained with that budget and by protecting the assets, a far higher capital receipt will be possible when the properties become vacant, which will significantly exceed the investment.
- 6.2 The properties produce a small revenue by way of rental income and it is proposed that this is used from future revenue repairs and maintenance until the properties are vacated.

7. Stakeholder/Community Impact

- 7.1 Discussions are ongoing with the tenants, particularly around how they are accommodated in their homes while the works are underway.
- 7.2 The Integrated Impact Assessment (IIA) checklist has been completed and the outcome is that a full IIA is not required for this report. Undertaking these works will substantially enhance the quality of life for the tenants and improve the sustainability of these properties.

8. Background reading/external references

- 8.1 N/A

9. Appendices

- 9.1 Appendix 1 - Plan and Photographs

Wellington School Janitors Houses, near Penicuik
(houses shaded Blue)





Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Award of Contracts for Supported Bus Services

Executive/routine	Routine
Wards	All
Council Commitments	19

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 approves the award of four contracts for supported bus services which were undertaken as mini-competitions utilising the Supported Bus Services Framework Agreement for an initial period of two years, to commence in June 2020, with two further optional 12 month extensions:
 - 1.1.1.1 Award one contract to Edinburgh Coach Lines Ltd for fully subsidised service 13 at a cost of £219,000 annually (£876,000 for the full contract term including extensions); and
 - 1.1.1.2 Award three contracts to First Scotland East Ltd for fully subsidised service 20 at a cost of £499,200 annually (£1,996,800 for the full contract term including extensions), fully subsidised service 63 at a cost of £370,240 annually (£1,480,960 for the full contract term including extensions) and fully subsidised service 68 at a cost of £78,000 annually (£312,000 for the full contract term including extensions).
 - 1.1.2 notes the details of the contract awards to deliver on the coalition commitment to enhance services in rural west of the city while ensuring that the fully subsidised services are provided within the current budget allocation.

Paul Lawrence

Executive Director of Place

Contact: Ewan Kennedy, Service Manager – Transport Networks

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

Award of Contracts for Supported Bus Services

2. Executive Summary

- 2.1 Following approval by [Finance and Resources](#) Committee in June 2018 of a Framework Agreement for the Supply of Supported Bus Services, this report provides the results of a tendering process undertaken to procure new fully subsidised bus services and the measures taken to deliver service improvements within the overall context of the existing budget allocation.

3. Background

- 3.1 On 12 June 2018, a Framework Agreement for the Supply of Supported Bus Services in the city was approved by Finance and Resources Committee. The Framework Agreement compiled a list of transport providers eligible to bid to operate future routes via mini-competitions to achieve best value for the Council.
- 3.2 In March 2019 meetings were held with a number of Community Councils to help gather feedback regarding existing bus service provision and inform the procurement process.
- 3.3 To deliver on the coalition commitment to enhance bus service provision in the south west of the city, Framework suppliers were invited to provide costs for different route options in this part of the capital to determine overall affordability.
- 3.4 This report provides the outcomes of the tendering process and due to the overall amount of the contract awards, as required by Council Standing Orders, Committee are asked to approve these. In addition, it also highlights the improvements to service in the south west of the city and the measures taken to deliver these within the current Supported Services budget allocation.

4. Main report

- 4.1 The Council funds supported bus routes, principally for reasons of social inclusion and the support of local communities to enhance public transport connectivity, accessibility, and encourage modal shift to a more sustainable method of travel. Supported bus services perform an important function by filling in gaps in the commercial bus network.
- 4.2 The current annual budget allocation for the provision of all supported bus services stands in the region of £1.549m. This amount includes an additional £250,000 allocated to enhance provision in rural west Edinburgh and options to provide residents in Currie and Balerno improved connectivity to St John's Hospital in Livingston and improved interchange connectivity to the city centre for residents of Ratho were included in the tender documents.
- 4.3 This amount provides financial subsidy for a combination of stand-alone routes, cross boundary services, and service enhancements such as timetable frequency enhancements.
- 4.4 Between 16 October and 18 December 2019, the Council conducted five separate mini competitions for fully subsidised separate bus contracts requiring renewal on the Public Contracts Scotland (PCS) website inviting bids of the seven providers listed in the Framework Agreement for Supported Bus Services. Details of the existing routes are shown below:
 - 4.4.1 Service 13 (Findlay Gardens to Quarry Retail Park);
 - 4.4.2 Service 20 (Chesser to Gyle);
 - 4.4.3 Service 20 (Ratho Village);
 - 4.4.4 Service 63 (Queensferry to Riccarton); and
 - 4.4.5 Service 68 (Gyle Centre to Turnhouse).
- 4.5 Whilst providers were asked to price all routes on a like for like basis, to respond to community feedback for improved connectivity, providers were asked to provide costs for the additional options outlined below:
 - 4.5.1 A single combined Service 20 (Chesser to Ratho Village) and an option including a route extension to include a stop at Ingliston Park and Ride so that residents of Ratho would have enhanced interchange options to bus and tram to the city centre; and
 - 4.5.2 Service 63 (Extend to Balerno Terminus).

- 4.6 Tenders were received from five providers. The bids were evaluated on the basis of the most economically advantageous tender (MEAT), with a weighting of 70% for price and 30% for quality. This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.
- 4.7 A summary of tendering and the tender evaluation process is attached at Appendix 1.
- 4.8 The contracts will be managed by officers within the Public Transport section of Place who will track benefits and monitor key performance indicators.

5. Next Steps

- 5.1 Subject to approval, it is anticipated that the new services will be operational, following the required 77 day registration period required by the Traffic Commissioner, in June 2020.

6. Financial impact

- 6.1 The current revenue budget for supported bus services is an estimated £1.549m per annum.
- 6.2 The contracts which are to be awarded within this report are for a combined total of £1,166,440 per annum.
- 6.3 As the prices submitted confirmed that cost savings could be obtained, the options to include the Ingliston and Balerno extensions could be delivered within budget limits delivering good value to the Council when considered in the context of the enhancements to the Services 20 and 63.
- 6.4 The estimated total cost of all supported service provision including the planned enhancements for the Services 20 and 63 is around £1.539m per annum.
- 6.5 It is intended to review funding contributions currently provided for service enhancements with Lothian Buses to explore potential future cost savings.
- 6.6 The costs associated with procuring these contracts are estimated to be between £10,001 to £20,000.

7. Stakeholder/Community Impact

- 7.1 Input from local communities including meetings with Community Councils in March 2019, helped shape the options that bus operators were asked to provide costings for to the Council.

- 7.2 Financially supporting bus services has positive impacts by making public transport available for a variety of groups including the elderly, disabled, ethnic minorities, those on low incomes or unemployed, and those in urban peripheries or more rural environments to enhance inclusion, accessibility and mobility.
- 7.3 As part of the Terms and Conditions for Supported Bus Services, the Council requires operators to deploy fully accessible and environmentally friendly vehicles on supported routes to contribute to ease of access for all and better air quality and reductions in carbon emissions to help deliver a healthier environment.
- 7.4 The Council's Low Emission Zone (LEZ) proposals and associated vehicle requirements were highlighted to operators as part of the tendering process and submissions were costed accordingly.
- 7.5 By way of Community Benefits achieved in respect of these contracts, First Scotland East Ltd have committed to providing educational bus tours for primary and secondary pupils or voluntary groups on their Bright Bus Tours of Historic Edinburgh and the provision of a bus as a mobile community centre outreach project, whilst Edinburgh Coach Lines Ltd have committed to providing local community sponsorship.

8. Background reading/external references

- 8.1 Framework Agreement for Supported Bus Services report (F&R Committee Tuesday 12 June 2018 on CPOL.

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Process.

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Contract	Supported Bus Services – Service 13 Findlay Gardens to Quarry Retail Park	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£876,000.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	Four	
Name of Recommended Supplier	Edinburgh Coach Lines Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Replicate Existing Route – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	

Contract	Supported Bus Services – Service 20 Chesser to Ratho Village including extension to Ingliston Park & Ride (Option 2)	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£1,996,800.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	One	
Name of Recommended Supplier	First Scotland East Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Option 2 Chesser to Ratho Village including extension to Ingliston Park and Ride – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	

Contract	Supported Bus Services – Service 63 Queensferry to Riccarton including extension to Balerno Terminus (Option 2)	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£1,480,960.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	Two	
Name of Recommended Supplier	First Scotland East Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Option 2 Queensferry to Riccarton including extension to Balerno Terminus – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	

Contract	Supported Bus Services – Service 68 Gyle Centre to Turnhouse	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£312,000.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	Five	
Name of Recommended Supplier	First Scotland East Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Replicate Existing Route – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	

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Finance and Resources Committee

10am, Thursday, 5 March 2020

Extension of contract for Blood Borne Virus (BBV) Step Up/Step Down, Care and Treatment Support Service

Executive/routine
Wards All
Council Commitments

1. Recommendations

It is recommended that the Finance and Resources Committee:

- 1.1 Approve the extension of the contract from 1 April 2020 for two years for the provision of the Blood Borne Virus (BBV) Step Up/Step Down, Care and Treatment Support Service provided by Waverley Care at Milestone House. The current value of this contract is £555,977 per annum.

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

Contact: Colin Beck, Strategy and Quality Manager Mental Health and Substance Misuse

E-mail: colin.beck@edinburgh.gov.uk | Tel: 0131 553 8200

Extension of contract for Blood Borne Virus (BBV) Step Up/Step Down, Care and Treatment Support Service

2. Executive Summary

- 2.1 This report seeks approval for an extension to the block contract for two years to allow adequate time for a commissioning exercise to be undertaken for this service to meet the current and future needs of people who require it. The existing service is meeting the complex needs of service users and is a unique residential service. However, with other opportunities happening elsewhere, this now provides the platform to look in depth at what is required, how it might be delivered and then how that will be commissioned.
- 2.2 The service is delivered by Waverley Care at Milestone House, Oxcgangs, Edinburgh. It provides ten specialist BBV Step Up/Step Down beds and a care and treatment support service. The current contract ends on 31 March 2020.

3. Background

- 3.1 This residential and specialist support service is aimed to provide support to people affected by BBV with additional complex needs including gay men, injecting drug users and people from sub-Saharan South Africa. The contract was also in response to the increasing number of people from Eastern Europe who were testing with a BBV and accessing services in Edinburgh and Lothians.
- 3.2 In Scotland, as of 30 June 2019, a total of 5,484 individuals have been diagnosed and are living with HIV, of whom almost three quarters (73%, 4,024) identify as male and the remaining 27% (1,460) as female¹. As at 31 December 2018 there were 1,501 people in Lothian diagnosed and living with HIV. This represents 27% of people diagnosed and living with HIV in Scotland.
- 3.3 The Scottish Government has committed to increase the number of people treated for the potentially fatal blood borne virus, hepatitis C to at least 2,500 in 2019-20 and to at least 3,000 annually from 2020-21. In Scotland there are an estimated 21,000 people living with hepatitis C, which causes progressive damage to the liver.

¹ Health Protection Scotland (2019) Implementation of HIV PrEP in Scotland: Second Year Report
Finance and Resources Committee 5 March 2020

By increasing the number of people treated annually, NHS Scotland will be able to effectively eliminate the condition by 2024. At 31 December 2018, there were 6,058 people diagnosed and living with hepatitis C in Lothian, which is about 29% of the number of people living with hepatitis C in Scotland².

- 3.4 The service provides 10 specialist BBV Step Up/Step Down beds and a care and treatment support service. All places provided in the service are available to Edinburgh Health and Social Care Partnership (EHSCP). The service is expected to work with 100 individuals per year, who often will also have other complex needs including substance misuse and mental health issues.
- 3.5 The purpose of the service is to provide a short-term care and support service in a place where people can have time to recover instead of a hospital setting and supported to achieve their outcomes. It also gives time for people to be assessed through multidisciplinary working.
- 3.6 The service provided aims to meet the needs of older service users including; men who have sex with men, older people who are prescribed substitute medication and women who have acquired a blood borne virus. This is delivered in a stigma free environment.
- 3.7 The service provides 24-hour care and support for an average length of stay up to four weeks (unless agreed at the Referral Panel for purposes of Hepatitis C treatment support, adult protection or significant changes to health and wellbeing).

4. Main report

- 4.1 Waverley Care are a key provider of this type of residential and specialist support service in Edinburgh. The contract for this service with the City of Edinburgh Council (the Council) had a contract variation agreed to its current value of £555,977 per annum in June 2015.
- 4.2 Waverley Care delivers services which target vulnerable populations, helping people to change their behaviour to improve their health. Waverley Care views people who use their services as the experts in their own lives and works with them in a personalised way to enable change and achieve their personal outcomes. This leads to people developing a sense of worth and social belonging. Waverley Care aims to support people living with a BBV to lead fulfilling lives.
- 4.3 Waverley Care own the building named 'Milestone House' that they provide the service from in the Oxfgangs area of the city. The land that the building sits on is owned by NHS Lothian and leased to Waverley Care. In turn, Waverley Care lease part of the building to Penumbra and NHS Lothian to provide an alcohol related brain disease service.

² Health Protection Scotland (2019) Surveillance of Hepatitis C testing, diagnosis and treatment in Scotland, 2019 update

- 4.4 With the contract coming to an end in March 2020, there is a requirement to extend it for a period of two years to allow adequate time for a commissioning exercise to take place, which will lead to a procurement process. This situation has arisen due to a previous lack of commissioning resource to take this work forward.

5. Next Steps

- 5.1 If the extension is approved, then a procurement request will be made to Corporate Procurement for their involvement with the future commissioning and procurement exercise.
- 5.2 If the extension is not approved, there would be no alternative specialist provision for people who use this service. This in turn would increase demand to non-specialist services and hospital provision, increasing delayed discharges. It would also have a detrimental impact on infection management.
- 5.3 The commissioning exercise will ensure that adequate time is given for consultation and engagement to allow for a coproduction approach with the community, the provider, service users, carers and stakeholders.

6. Financial impact

- 6.1 The total value of the contract if approved for this extension over two years is £1,111,954.
- 6.2 Funding associated with the extension of this contract will be delegated by EIJB to the Council.

7. Stakeholder/Community Impact

- 7.1 If approved, there will be adequate time given to consultation and engagement with the community, the provider, service users, carers and stakeholders during the commissioning phase.
- 7.2 There are no adverse equalities or sustainability impacts arising from this report.

8. Background reading/external references

N/A

9. Appendices

N/A

by virtue of paragraph(s) 8, 9 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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