

Minutes

Finance and Resources Committee

10.00am, Thursday 3 December 2020

Present:

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

1. Minutes

Decision

- 1) To approve the minute of the Finance and Resources Committee of 29 October 2020 as a correct record.
- 2) To approve the minute of the Finance and Resources Committee of 5 November 2020 as a correct record.

2. Work Programme

The Finance and Resources Committee Work Programme as at 3 December 2020 was submitted.

Decision

- 1) To agree to provide an update on the joint procurement exercise at Fountainbridge.
- 2) To note the Work Programme.

(Reference – Work Programme of 3 December 2020, submitted.)

3. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log as at 3 December 2020 was submitted.

Decision

- 1) To agree to close the following actions:
 - Action 1 – Fleet Renewal Programme

- Action 2(2) – Revenue Monitoring 2019/20 - Outturn Report
- Action 4 – Revenue Budget 2020/23: 2020/21 Month Five Position and Framework Assumptions Update
- Action 6 – Miscellaneous Debts – Write-Off (B Agenda)
- Action 7(2) – The City of Edinburgh Council Charitable Trusts – Report to Those Charged with Governance on the 2019/20 Audit
- Action 8(1) – Consultants Costs 2019/20
- Action 9 – 2019-20 Common Good Annual Performance Report

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log of 3 December 2020, submitted.)

4. Business Bulletin

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

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, 3 December 2020, submitted.)

5. Revenue Budget 2020/21: Progress Update

On 29 October the Finance and Resources Committee considered an update on the Revenue Budget 2020/23. A further interim update was provided to the meeting of 3 December 2020 on the estimated expenditure and income impacts of the COVID-19 pandemic upon the Council and its Arm's-Length External Organisations (ALEOs) during 2020/21, alongside offsetting sources of confirmed or anticipated funding. This analysis indicated an increase in the residual gap from £5.1m to £6.8m since consideration of the previous report.

Representatives from the Council's ALEOs were in attendance to answer questions.

Decision

- 1) To note the increase in the projected year-end overspend from £5.1m to £6.8m, resulting in a further potential call on the Council's unallocated reserves.
- 2) To note that the expenditure and income projections set out within the report would continue to be subject to significant uncertainty and potential variation given current events.

- 3) To note the further updates on the development of an income compensation scheme and availability of potential financial flexibilities.
- 4) To note that a more detailed update, based on analysis of actual expenditure and income to the end of November and taking account, as appropriate, of other potential or confirmed sources of funding, would be presented to the Finance and Resources Committee's next meeting on 21 January 2021.
- 5) To note that in order to maintain alignment with the Council's wider Sustainability Programme, potential spend to save projects contributing towards a Green Recovery would now also be presented to the committee on 21 January 2021.
- 6) To agree to provide an update on the amount which had been spent of the £100k funding allocated to Marketing Edinburgh.

(References – Finance and Resources Committee, 29 October 2020 (item 5); report by the Executive Director of Resources, submitted.)

Declarations of interest

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

6. Treasury Management: Mid-Term Report 2020/21

An update was provided on Treasury Management activity undertaken in the first half of 2020/21.

Decision

- 1) To note the mid-term report on Treasury Management for 2020/21.
- 2) To refer the report to the City of Edinburgh Council for approval and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

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

7. Corporate Health and Safety Strategy and Plan 2020–2022

The unprecedented challenges from Covid-19 to Edinburgh's communities and Council services had led to all Directorates having to adapt and renew, creating new ways to deliver services efficiently in this current, high risk, environment.

The focus of the 2020–22 Health and Safety Strategy and Plan was to re-align the current Corporate Health and Safety arrangements to reflect upon, and support addressing these challenges within the Council, whilst maintaining the existing statutory health and safety offering.

Decision

To approve the 2020-22 Council Health and Safety Strategy and Plan.

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

8. Award of Contract for an Employee Benefits Platform

Approval was sought to award the contract for an Employee Benefits Platform to SME HCI LIMITED (trading as Vivup), to commence on 21 December 2020, for a period of five years, for a value of up to £20m of salary sacrifice funds over the Contract term.

Decision

- 1) To approve the award of a Contract for an Employee Benefits Platform to SME HCI LIMITED (trading as Vivup) for a period of five years commencing on 21 December 2020.
- 2) To approve a recommended award of up to £20m in value for salary sacrifice for the goods and services that employees chose over the full Contract term. This would allow for a potential increase of up to 5% in employee numbers participating in salary sacrifice to take advantage of a wider range of benefits.
- 3) To note that there would be no cost, excepting additional resource to manage and administer, to the Council for set up or access to the Employee Benefits Platform.
- 4) To agree to provide a timetable for introducing further schemes into the Employee Benefits Platform.

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

9. Tron Kirk, Edinburgh

a) Deputation

A written deputation was presented on behalf of Edinburgh World Heritage.

The deputation set out their requests for City of Edinburgh Council funding and their supporting argument, including their future plans for use of the Tron.

The deputation asked;

- For a reduction in rent to £1,000 a month.
- For a contribution of 10% of the building costs, estimated to be £500,000 - £600,000.
- For a commitment to explore various options to fund the capital works in the Old Town within the Roads Renewal programme.

b) Report by the Executive Director of Resources

An update was provided on the Edinburgh World Heritage Trust (EWHT) proposals for the Tron Kirk. Details were included on the requirements for the Council to commit capital funding to the project.

Motion

- 1) To note the contents of the report and the work that had been carried out by both officers and EWHT to realise the Tron Kirk project.
- 2) To further note that if the project were to proceed there would be a substantial impact on the Capital Budget Strategy that would negatively impact capital projects across the city.
- 3) To therefore agree Option A in the report and to instruct officers to bring forward a report on the short and longer term future of the building to a future meeting of the Finance and Resources committee.

- moved by Councillor Munn, seconded by Councillor Griffiths

Amendment

To instruct officers to forecast £560,000 towards the project and include it within the revised Capital Budget Strategy, when presented to Committee in January 2021.

- moved by Councillor Hutchison, seconded by Councillor Bruce

Voting

For the motion - 8 votes
For the amendment - 3 votes

(For the motion – Councillors Booth, Corbett, Dixon, Griffiths, Munn, Frank Ross, Neil Ross and Watt.

For the amendment – Councillors Bruce, Hutchison and Johnston.)

Decision

To approve the motion by Councillor Munn.

(References – Finance and Resources Committee of 5 March 2020 (item 42); report by the Executive Director of Resources, submitted.)

10. Workforce Dashboard – September 2020

A summary was provided 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 September 2020.

Decision

- 1) To note the workforce information contained in the dashboard.
- 2) To agree to provide a comparison of last year's figure to the £457.5m salary pay bill in the report.
- 3) To agree to provide further analysis on the 546 acting up/seconded staff figure.

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

11. Queensferry Harbour Repairs

The current condition of Queensferry Harbour was highlighted and approval sought for allocation of a budget to undertake repairs to avoid further deterioration of the structure.

The cost of any repairs would be met from the Common Good Fund. Consultant Engineers had estimated costs of £0.298m to undertake urgent works and it was recommended that a budget of up to £0.5m would be made available from the Common Good Fund.

Decision

- 1) To approve the repair work to be undertaken to avoid further deterioration of the structure of Queensferry Harbour and that a phased approach would be taken to the repairs.
- 2) To further approve that the cost of urgent repairs, with a budget of up to £0.5m, would be met from the Common Good Fund.

(References – Finance and Resources Committee of 5 November 2020 (item 4); report by the Executive Director of Resources, submitted.)

Declarations of interest

Councillor Hutchison declared a non-financial interest in the above item of business as Vice-Convener of Hawes and Longcraig Pier Users Committee.

12. Award of Contract for the Treatment and Disposal of Bulky Waste

Approval was sought to award a contract for the treatment and disposal of bulky waste to Hamilton Waste and Recycling Services Limited. The contract would begin on 18 January 2021 for an initial period of three years, with options to extend for up to two further periods of 12 months each, at a total estimated net cost of £1,583,400.

Decision

- 1) To approve the award of contract for the treatment and disposal of bulky waste.
- 2) To approve the contract terms to begin on 18 January 2021 for an initial period of three years, with the option to extend for up to two further periods of 12 months, at a total estimated net cost of £1,583,400.

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

13. Waiver Extension for Haulage of Waste to Disposal Outlets

Approval was sought for the Council to sell 89 homes held in the Telford NHT 2011 Limited Liability Partnership (LLP) to LAR Housing Trust, to be retained as affordable rented housing whilst ensuring that those tenants who were willing and able to purchase a home within the development were provided with an opportunity to do so.

Decision

- 1) To note the current arrangements for the haulage of waste to disposal outlets and that the procurement of a new contract for this would be concluded shortly.
- 2) To approve an extension to the existing waiver to enable the procurement process to be concluded and for the appropriate handover of activities to new suppliers if appropriate. The terms of the extension are set out below:
 - i) If Transfer of Undertakings (Protection of Employment) Regulations (TUPE) applied, a 13-week extension from 1 February 2021 to 1 May 2021 would be required for the current waiver to enable the appropriate transfer activities to take place.
 - ii) If TUPE did not apply, an extension of four weeks would be required to conclude the award of contract to the existing suppliers.
- 3) To note that £65,000 of additional costs were incurred between March and October 2020 due to increased haulage requirements resulting from the effects of the Covid-19 pandemic.
- 4) To note the value of the 13-week extension of current waiver would be in the region of £315,000, while the value of a four week extension would be in the region of £142,000.

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

14. Contract Extensions for Edinburgh Employability Services

Approval was sought to extend the current Supported Employment and Complex Needs Employability Services contracts, via a waiver of Contract Standing Orders (CSOs), for a six month period from 1 April 2021 up until 30 September 2021, with the

option to extend for up to a further six-month period if required from 1 October 2021 until 31 March 2022. This would allow sufficient time to consult with clients and providers to perform the review and to re-procure replacement services if required.

Decision

- 1) To approve the extension of the Supported Employment and Complex Needs Service contracts, via a waiver of CSOs, for a six month period from 1 April 2021 until 30 September 2021, with the option to extend for up to a further six-month period if required from 1 October 2021 until 31 March 2022 at a total maximum value of £1,846,748.
- 2) To note that the Edinburgh Targeted and Integrated Employability Service (ETIES) was also under review and would be extended as per the current contract terms until 31 March 2022 with the option to terminate with six months' notice if a replacement service was required.

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

15. Contract Award for Managed Print Services

Approval was sought to award two contracts for Managed Print Services. The contracts would each last for a period of 5 years with the option to extend for 2 periods of up to 12 months. The total value of the contracts over 7 years was estimated to be £6,056,949.

Decision

To approve the award of two contracts for Managed Print Services each for a period of five years with the option to extend for two periods of up to 12 months, at the sole discretion of the Council, as follows:

- 1) Lot 1b – "Multifunctional Devices and Associated Services" to Apogee Corporation Limited with an estimated seven-year value of £5,658,185.
- 2) Lot 2 – "Print Services" to Apogee Corporation Limited with an estimated seven year value of £398,764.

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

16. 65 Shore, Edinburgh – Proposed New Lease

Zak Hanif & Aytac Gul currently occupied 65 Shore, Edinburgh on a missive of let which would expire on 30 May 2021. Approval was sought to grant the tenant a 15 year lease from 31 May 2021 on the terms and conditions outlined in the report.

Decision

To approve a 15 year to lease to Zak Hanif & Aytac Gul of premises at 65 Shore, Edinburgh on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

17. Gilmore Park, Fountainbridge, Edinburgh – Proposed Substation Lease

The proposed development of the Council owned land at Fountainbridge required a relocation of an existing substation. Approval was sought to grant a 146-year ground lease on land at Gilmore Park, Fountainbridge on the terms and conditions outlined in the report.

Decision

To approve the 146-year ground lease to SPD Distribution Plc of land at Gilmore Park, Fountainbridge, Edinburgh on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

18. Summary Report on Property Transactions Concluded under Delegated Authority

A summary was provided of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'. This delegated authority currently extended to the conclusion of all new leases of up to five years in length where the rental was no greater than £50,000 per annum and rent reviews where the rental was no greater than £50,000 per annum. The authority also included the sale of property which had been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions out with these parameters would be reported separately to Committee.

Decision

- 1) To note that the 10 transactions detailed in the attached Appendix had been concluded in accordance with the terms of the Council's approved 'Scheme of Delegation to Officers'.
- 2) To agree to amend the ward details in Appendix 1 as follows: new leases 1 and 2 were within the Almond ward and the Meadows and Morningside ward should be updated to Morningside only.

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

19. Settlement of RE:FIT Saving Guarantee

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

An update was provided on the settlement of the RE:FIT savings guarantee.

Decision

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

(References – Act of Council (no. 9) of 28 April 2016; report by the Executive Director of Resources, submitted.)

20. Communities and Families Learning Estate – Project Contract Awards

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraph 12 Part 1 of Schedule 7(A) of the Act.

An update was provided on the Learning Estate projects where contracts could now be awarded or where contracts would be able to be awarded soon. Approval was sought in order to proceed with these projects in order to avoid any further delay to delivery beyond those already created by the Covid-19 pandemic.

Decision

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

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