

Minutes

Finance and Resources Committee

10.00am, Thursday, 7 October 2021

Present

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

2. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 12 August 2021 as a correct record.

3. Work Programme

The Finance and Resources Committee Work Programme for October 2021 was presented.

Decision

To note the Work Programme September 2021.

(Reference – Work Programme of 7 October 2021, submitted.)

4. Rolling Actions Log

Details were provided of the outstanding actions arising from decisions taken by the Committee.

Decision

1) To agree to close the following actions:

- Action 2 – Former Royal High School, Regent Road, Edinburgh – Options Paper (private report)
- Action 4 – Edinburgh Catering Services - Other Catering Significant Trading Operation (STO) – Update
- Action 5 – Liberton Hospital, Edinburgh – Proposed Acquisition

- Action 8 – 2021-31 Sustainable Capital Budget Strategy – Outturn 2020/21 and Revised Budget 2021/22

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log of 7 October 2021, submitted.)

5. Business Bulletin

The Finance and Resources Committee Business Bulletin for August 2021 was presented.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, 7 October 2021, submitted.)

6. Revenue Budget Framework 2021/26 - Progress Update

Details were provided on the projected Council-wide revenue budget position for the year. Whilst a balanced overall position was projected, there remained considerable uncertainty around the ongoing impacts of the pandemic on the Council and its ALEOs and, more immediately, the level of the employee pay award for 2021/22.

Decision

- 1) To note that a balanced overall monitoring position continued to be forecast in the current year.
- 2) To note, nonetheless, the potential for further expenditure pressures to emerge during the remainder of the year and thus the on-going need for pressures, savings delivery shortfalls and risks to be fully and proactively managed within all Directorates and the Health and Social Care Partnership.
- 3) To note that a further update would be provided to the Committee at its next meeting on 9 December 2021.
- 4) To note that a savings requirement of £8.2m was now forecast in 2022/23, increasing significantly in subsequent years, re-emphasising the need to initiate by the autumn a comprehensive savings programme, rooted in the priorities set out within the Council's Business Plan, to address this gap.
- 5) To note the principal findings of the "lessons learned" review of the 2021/22 budget development process.
- 6) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

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

Declaration of Interests

Councillor Bruce declared a non-financial interest in the above item as a Director of Edinburgh Leisure.

7. Sustainable Capital Budget Strategy 2022/32

Details were provided on the Sustainable Capital Budget Strategy, which set out priorities for £1,725.732m of council capital investment, in alignment with the Council Business Plan, over the medium to long-term.

Decision

- 1) To note the priorities for capital expenditure outlined in this report which were aligned to the Council Business Plan.
- 2) To note proposed funding solutions and that the plan was now balanced, subject to the risks set out in this report.
- 3) To note the announcement of the provisional Local Government Finance Settlement was expected in December 2021.
- 4) To note that delivery of funded capital expenditure priorities was dependent on the achievement of a balanced medium-term revenue budget.
- 5) To note that a further report on the Sustainable Capital Budget Strategy 2022-2032 would be presented to the Committee on 3 February 2022 prior to Council budget setting in February 2022.
- 7) To refer the report to the Governance Risk and Best Value Committee as part of its work programme.

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

8. Corporate Services Directorate Revenue Budget Monitoring 2021/22 – Month Four position

Details were provided on the projected four-month revenue monitoring position for services delivered by the Corporate Services Directorate and the Chief Executive's Office, based upon actual expenditure and income to the end of July 2021 and expenditure and income projections for the remainder of the financial year. Services delivered by the Corporate Services Directorate and the Chief Executive's Office are forecast to be within budget for 2021/22.

Decision

- 1) To note that services delivered by the Corporate Services Directorate were forecast to be within budget for 2021/22.

- 2) To note it was forecast outturn expenditure would be within the approved revenue budget for the Chief Executive's Office for 2021/22.
- 3) To note that due to the Coronavirus pandemic, it was anticipated there would be additional costs incurred and loss of income. These were currently forecast to be within the 2021/22 provision for Coronavirus additional costs and loss of income.
- 4) To note that measures would continue to be progressed to fully deliver approved savings targets and measures required to offset budget pressures to achieve outturn expenditure in line with the approved revenue budget for 2021/22.
- 5) To note the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by the Corporate Services Directorate.

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

9. Participatory Budgeting: Progress Update

An update report provided the Committee with information on the following agreement between the Scottish Government and CoSLA, that all Councils would work towards allocating 1% of their budgets by means of Participatory Budgeting (PB). The report set out a proposed framework to guide the Council's PB activity, current activity in 2021/22 and plans to increase this in 2022/23 and subsequent years.

Motion

- 1) To agree the principles set out within the Council's Participatory Budgeting (PB) framework.
- 2) To note that while reprioritisation of the Council's activity in response to the COVID pandemic has affected the scope and timing of PB projects, it is anticipated that spend equal to at least 0.32% of the national 1% target will be achieved in 2021/22.
- 3) To note that a number of further projects to increase the scope of current PB activity for subsequent years are being explored with relevant service areas.
- 4) To agree that specific proposals be brought back to the Finance and Resources Committee early in the new year for consideration as part of setting the Council's 2022/23 revenue and capital budgets.
- 5) To refer this report to the Culture and Communities Committee for its information.

- moved by Councillor Munn, seconded by Councillor Griffiths

Amendment

- 1) To agree the principles set out within the Council's Participatory Budgeting (PB) framework.
- 2) To note that while reprioritisation of the Council's activity in response to the COVID pandemic has affected the scope and timing of PB projects, it is anticipated that spend equal to at least 0.32% of the national 1% target will be achieved in 2021/22.
- 3) To note that a number of further projects to increase the scope of current PB activity for subsequent years are being explored with relevant service areas.
- 4) To agree that specific proposals be brought back to the Finance and Resources Committee early in the new year for consideration as part of setting the Council's 2022/23 revenue and capital budgets.
- 5) To refer this report to the Culture and Communities Committee for its information.
- 6) To note that, according to PB Scotland "Participatory Budgeting (PB) is about local people having a direct say in how public money is spent."
- 7) To note that the Scottish Government policy statement on PB said "Participatory budgeting (PB) is a democratic process in which citizens decide directly how to spend part of a public budget."
- 8) To note that the revised 2021 PB Framework from COSLA and the Scottish Government said "The fundamental principle of Mainstream PB, and what sets it apart from other forms of community engagement and budget consultation, is that decision making must lie with the people and communities who will be directly affected by the service area or budget".
- 9) To agree therefore that in preparing further proposals outlined in 4) above and in tracking the implementation of PB projects, a clear distinction must be maintained between projects where the decision on spend was directly made by community stakeholders; and those where the decision was more generally influenced by community stakeholders.
- 10) To further agree that proposals should be able to demonstrate how they meet the criteria set out in the PB Charter.

- moved by Councillor Corbett, seconded by Councillor Booth

In accordance with Standing Order 22.12, the amendment was accepted as an addendum to the motion.

Decision

- 1) To agree the principles set out within the Council's Participatory Budgeting (PB) framework.
- 2) To note that while reprioritisation of the Council's activity in response to the COVID pandemic has affected the scope and timing of PB projects, it is anticipated that spend equal to at least 0.32% of the national 1% target will be achieved in 2021/22.
- 3) To note that a number of further projects to increase the scope of current PB activity for subsequent years are being explored with relevant service areas.
- 4) To agree that specific proposals be brought back to the Finance and Resources Committee early in the new year for consideration as part of setting the Council's 2022/23 revenue and capital budgets.
- 5) To refer this report to the Culture and Communities Committee for its information.
- 6) To note that, according to PB Scotland "Participatory Budgeting (PB) is about local people having a direct say in how public money is spent."
- 7) To note that the Scottish Government policy statement on PB said "Participatory budgeting (PB) is a democratic process in which citizens decide directly how to spend part of a public budget."
- 8) To note that the revised 2021 PB Framework from COSLA and the Scottish Government said "The fundamental principle of Mainstream PB, and what sets it apart from other forms of community engagement and budget consultation, is that decision making must lie with the people and communities who will be directly affected by the service area or budget".
- 9) To agree therefore that in preparing further proposals outlined in 4) above and in tracking the implementation of PB projects, a clear distinction must be maintained between projects where the decision on spend was directly made by community stakeholders; and those where the decision was more generally influenced by community stakeholders.
- 10) To further agree that proposals should be able to demonstrate how they meet the criteria set out in the PB Charter.

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

10. Workforce Dashboard

A summary of workforce metrics was provided for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, for the period of July 2021.

Decision

To note the workforce information contained in the dashboard.

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

11. Award of Contracts for Blended Employability Services

Approval was sought to award the contract for Blended Employability Services to four providers/consortia following a co-production exercise.

Decision

- 1) To appoint four providers/consortia to provide Blended Employability Services, as set out in Appendix 1 of the report.
- 2) To note that the contract duration would be for 36 months with the possibility to extend for a further 36 months.
- 3) To note that the maximum total estimated contract value over the four lots was £12,894,204.
- 4) To approve the award of contracts to the following providers/consortia for delivery of Blended Employability Services:
 - 4.1) Lot 1 - TES Consortium at a total maximum contract value of £2,160,000.
 - 4.2) Lot 2 – ESEC Consortium at a total maximum contract value of £8,160,000.
 - 4.3) Lot 3 – Access to Industry at a total maximum contract value of £1,500,000.
 - 4.4) Lot 4 - ESEC Consortium at a total maximum contract value of £1,074,204.

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

12. Contract Award Recommendation Report – Supply and Installation of Corralling for Bin Hubs and Associated Road Works

Approval was sought to award the contract for the Supply and Installation of Corralling for Bin Hubs and Associated Road Works, following a tendering exercise.

Decision

- 1) To approve the award of a contract for the Supply and Installation of Corralling for Bin Hubs and Associated Road Works to Maclay Civil Engineering Ltd.

- 2) To note that the contract period was 18 months, with the option to extend for a further six months, with a total maximum anticipated contract value of £1,673,320.

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

13. Award of Contract for City Centre West to East Cycle Link and Street Improvements Project Construction

Approval was sought to award the contract for the City Centre West to East Cycle Link and Street Improvements Project Construction which will establish a high-quality cycle route through the city centre connecting existing and planned facilities and enhancing streets along the route for people walking and cycling. The preliminary designs were approved in December 2016 and have been subject to relevant Statutory Orders.

Decision

- 1) To appoint Balfour Beatty Civil Engineering Limited (BBCEL) to undertake the construction of the City Centre West to East Cycle Link and Street Improvements Project (CCWEL), along with the resurfacing of the carriageway of the A8, for a combined contract sum of £12,974,273, procured through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement.
- 2) To appoint AECOM via the Council's Scotland Excel framework for the provision of site supervision and contract administration for the delivery of the above contract for the value of £329,002.
- 3) To award of all required contracts for delivery of the public utility diversionary works required in order to deliver the proposals, which are valued at £1,256,560.

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

14. Contract Award Recommendation Report – Supply of Natural Stone Paving and Road Products

Approval was sought to award the contract for the supply of natural stone paving and road products.

Decision

- 1) To approve the award of a Framework Agreement for:
 - 1.1) Lot 1 - Supply of Caithness Stone to A&D Sutherland Ltd;
 - 1.2) Lot 2 - Supply of Hard Sandstone to Tradstocks Ltd;
 - 1.3) Lot 3 - Supply of Granite to Tradstocks Ltd; and

- 1.4) Lot 4 - the Recycling of existing Whinstone and supply of new Whinstone to Tradstocks Ltd.
- 2) To note that the Framework Agreement duration was two years, with two optional 12-month extension periods, with a total maximum anticipated contract value of £2,400,000 (across all Lots).

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

15. Contract Award – Supply of Wheeled Bins and Kerbside Boxes

Approval was sought to award the contract for the supply of wheeled bins and kerbside boxes.

Decision

- 1) To approve the award of contracts for the:
- 1.1) Supply of Household 2-Wheeled Bins (and spare parts) (Lot 1) to One51 ES Plastics (UK) T/A MGB Plastics;

Supply of Communal 2-Wheeled Bins (and spare parts) (Lot 2) to Craemer UK Ltd.
 - 1.2) Supply of Food Waste Caddies for Kitchen Waste (Lot 3) to Straight Manufacturing Ltd.
 - 1.3) Supply of Kerbside Boxes (Lot 4) to Straight Manufacturing Ltd;
2. To note that the initial contracted duration (for all Lots) was two years, with the option to extend for two further years in one-year increments. The maximum anticipated value overall (for all Lots and including extensions) was £1,823,000.

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

16. Former Royal High School, Regent Road, Edinburgh – Proposed Disposal

On 21 January 2021, Finance and Resources Committee instructed officers to resile from the previous contract for the development of a hotel at the former Royal High School and remarket the property. The property was placed on the market over the summer months with a closing date of 3 September 2021 when two bids were received. An assessment was provided of the two bids and a recommendation made to committee as to the preferred bidder.

Decision

To approve the appointment of Royal High School Preservation Trust as preferred bidder for the disposal of the former Royal High School, by way of a long lease, on the

terms and conditions outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

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

17. Mixed Tenure Improvement Service Pilot Progress

Details were provided of progress of the Mixed Tenure Improvement Service (MTIS) pilot and the challenges to date. Plans were also outlined to increase support available for owner occupiers living in the pilot area in Wester Hailes to help them meet their responsibilities for the cost of work.

Decision

- 1) To note the progress of the Mixed Tenure Improvement Service (MTIS) Pilot to help support common repairs and maintenance in blocks where there is a mix of Council and privately-owned homes.
- 2) To note the reduction in the interest rate applied to owners' debt as a result of works undertaken in the Mixed Tenure Improvement Service Pilot.
- 3) To agree to extended debt repayment terms to the Council's Scheme of Assistance (SoA) to increase the support available for owner occupiers in the MTIS Pilot area, as set out at paragraph 4.14 and Appendix 1 of the report.

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

18. Award of Flexible Purchasing System and Contracts for Temporary Accommodation

Approval was sought for the award of Flexible Purchasing System and Contracts for Temporary Accommodation. Increasing demand, combined with emergent need and lack of contractual flexibility could lead to; non-compliant spot purchasing, increased cost, 'unsuitable' accommodation and residents being placed in accommodation which is not suited to their support needs. The Flexible Purchasing System would align to the Council's Rapid Rehousing Transition Plan (RRTP) and The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020 (the Unsuitable Accommodation Order).

Decision

- 1) To grant delegated authority to the Executive Director of Place, in consultation with the Convener and Vice-Convener of the Committee, to finalise and admit providers to the Flexible Purchasing System.
- 2) To grant delegated authority to the Executive Director of Place or such officers as he may sub-delegate to, to subsequently award Call-Off contracts, in line with the Council's Contract Standing Orders.

- 3) To note that the Flexible Purchasing System is a mechanism to award contracts in compliance with the Public Contracts (Scotland) Regulations 2015 and the duration of the Flexible Purchasing System has been advertised as 10 years.
- 4) To note that the maximum total spend was estimated to be £434 million over the full term of the Flexible Purchasing System (circa £43m per annum), this figure being based on current demand and historical spend analysis.

Declaration of Interests

Councillor Corbett declared a financial interest in the above item as an employee of Shelter Scotland.

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

19. Waiver Extension of Edinburgh Shared Repairs Services Framework Agreement

Approval was sought for a waiver extension for the Edinburgh Shared Repairs Services Framework Agreement, under a waiver of the Contract Standing Orders, to the existing Edinburgh Shared Repairs Services (ESRS) Framework Agreement by six months until the completion of the procurement exercise for the re-tendering of the framework in March 2022.

Decision

- 1) To approve a waiver of the Contract Standing Orders to permit the extension of the Edinburgh Shared Repairs Services (ESRS) Framework Agreement for six months to ensure continuity of service provision pending the procurement of a replacement framework being completed.
- 2) To note the estimated value of the proposed extension up to 31 March 2022 was £605,536.

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

20. Award of Contracts for Community Mental Health

Approval was sought for the award of contracts for Community Mental Health. The Education, Children and Families Committee approved an accelerated procurement procedure in March 2021 for the Distribution of Scottish Government Community Mental Health Funds. However, to ensure that the service specification considered feedback from stakeholders the timeline for award of this service fell between committee cycles. The award of five contracts for locality services and two contracts for city wide provision had been made for a period of three years and up to two years extension at sole discretion of the Council.

Decision

- 1) To note the seven contracts awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Interim Director of Education and Children's Services, in consultation with the Convener and Vice-Convener of Finance and Resources.
 - 1.1) Contracts for the delivery of Community Mental Health Provision for Children and Young People (Lot 1, Locality provision) to Collaborations led by:
 - 1.1.1) Home Link Family Support ("Back on Track") for South East (1) at a total value of £573,305
 - 1.1.2) Canongate Youth for South East (2) at a total value of £575,000;
 - 1.1.3) The Broomhouse Centre for South West (1&2) at a total value of £1,171,406;
 - 1.1.4) The Junction Young People Health and Wellbeing for North East (2) at a total value of £575,000;
 - 1.1.5) Circle for North West (1,2 & 3) at a total value of £1,480,507.
 - 1.2) Contracts for the Community Mental Health Provision for Children and Young People (Lot 2, City-wide speciality provision) to Collaborations led by:
 - 1.2.1) Barnardo's for Family and Social Adversity (Lot 2a & b) at a total value of £796,780;
 - 1.2.2) Tailor Ed Foundation for Neuro-developmental Diversity (Lot 2c) at a total value of £503,127.
- 2) To note that the Interim Director of Education and Children's Services may award a Contract up to the value of £575,000 within the Scheme of Delegation to Officers should negotiations for Lot 1e be successful.

(Reference – report by Interim Director of Education and Children's Services, submitted.)

21. Contract Awards and Procurement Programme (Period 1 January to 30 June 2021)

Details were provided on the scope of contracts awarded across the Council in the period 1 January to 30 June 2021, including contracts awarded by officers under delegated authority, and direct contract awards not openly tendered due to specific

circumstances permitted in the relevant procurement regulations and those awarded following a waiver of the Council's CSOs. Details were also provided of the forthcoming procurement programme in relation to expected higher value contracts across the Council.

Decision

To note the report and the contract awards made by officers under delegated authority, in accordance with the Council's Contract Standing Orders (CSOs) and that a further report would be submitted to the Committee in approximately six months' time.

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

22. Summary Report on Property Transactions concluded under Delegated Authority

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

Decision

To note that the 22 transactions detailed in Appendix 1 of the report had been concluded in terms of the Council's 'Scheme of Delegation' to Officers.

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

23. Edinburgh Catering Services - Other Catering Significant Trading Operation (STO) – Update

Committee was advised that, due to the COVID-19 pandemic and the move to home working, Edinburgh Catering Services - Other Catering, had been unable to trade during 2020/2021 financial year.

Decision

- 1) To approve the removal of catering services in East Neighbourhood Locality Office (ENLOC) and Wester Hailes Healthy Living Centre (WHHLC).
- 2) To agree a review of catering services in commercial buildings commensurate with the approaches around returning staff to office working.

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

24. Plot 11 Craigmillar Town Centre – Proposed Transfer to Housing Revenue Account

The Housing Service has been working on proposals to develop a Meanwhile Use on the vacant Plot 11 site within Craigmillar Town Centre. This report seeks approval for

the site to transfer from the General Fund to the Housing Revenue Account (HRA) to allow the project to be delivered as part of the ongoing housing led regeneration of the area.

Decision

To approve the transfer of land at Plot 11 Craigmillar Town Centre from the General Fund to the Housing Revenue Account (HRA) to facilitate a Meanwhile Use development as part of the ongoing regeneration of the Craigmillar area.

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

25. Block 1, Units 5 and 6, Pennywell Town Centre, Edinburgh Proposed Lease

To facilitate the Civic Centre redevelopment, Sara Zarar, trading as Ali's Pizza, would relocate from their existing leased property (Units 27-28) 59 Pennywell Road to Phase 2 Block 1, when complete. Finance and Resources Committee approved a 10-year lease of Unit 5 (Block 1) on 23 May 2019. In order to replicate the size of unit vacated, the tenant had requested that the lease was extended to include the adjoining Unit 6.

Decision

To approve a 10-year lease of Block 1 Units 5 and 6 Pennywell Town Centre on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

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

26. 31 Jeffrey Street, Edinburgh – Proposed Lease Extension

The property at 31 Jeffrey Street was currently let to La Garrigue (Edinburgh) Limited on a lease which expired on 30 September 2020 and had been running on tacit relocation. The tenant had requested a 15-year lease extension effective from 1 October 2021. Approval was sought to grant a 15-year lease extension to La Garrigue (Edinburgh) Limited on the terms and conditions outlined in the report.

Decision

To approve a 15-year lease extension to La Garrigue (Edinburgh) Limited of premises at 31 Jeffrey Street, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

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

27. Reprioritisation of Capital Budget to support a Mobile Workforce Solution (Totalmobile) for homecare and reablement

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 Paragraphs 6, 8 and 9 of Part 1 of Schedule 7(A) of the Act.

Approval was sought for the reprioritisation of the existing £2 million capital budget, currently ring-fenced for the purpose of increasing intermediate care capacity.

Decision

- 1) To support this key element of the Edinburgh Integration Joint Board's (EIJB) strategic transformation plans by reprioritising the identified capital budget, improving capacity for reablement and home-based care services and enabling delivery of the bed base care strategy.
- 2) To note the report and refer to full Council meeting on the 28 October.

Declaration of Interests

Councillor Gordon declared a financial interest in the above item as a non-executive director of NHS Lothian.

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership)

28. Unsuitable Accommodation Order: Purchasing Homes

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

A proposal was set out to purchase homes to address an Unsuitable Accommodation Order.

Decision

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