

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00 am, Thursday, 7th October, 2021**

Hybrid Meeting - Dean of Guild Court Room / Microsoft Teams

This is a public meeting and members of the public are welcome to watch the webcast live on the Council's website. Attendance may also be in person, but this will be limited in order to maintain a minimum of 1-metre distancing in the public gallery and access cannot therefore be guaranteed.

The law allows the Council to consider some issues in private. Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

### Contacts

Email: [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk) / [emily.traynor@edinburgh.gov.uk](mailto:emily.traynor@edinburgh.gov.uk)

Tel: 0131 553 8242

## **1. Order of business**

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- 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**

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- 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**

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- 3.1 If any

## **4. Minutes**

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- 4.1 Minute of the Finance and Resources Committee of 12 August 2021 - submitted for approval as a correct record 7 - 24

## **5. Forward Planning**

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- 5.1 Finance and Resources Committee Work Programme 25 - 34
- 5.2 Finance and Resources Committee Rolling Actions Log 35 - 40

## **6. Business Bulletin**

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- 6.1 Business Bulletin 41 - 44

## 7. Executive decisions

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<b>7.1</b>	Revenue Budget Framework 2021/26 - Progress Update – Report by the Executive Director of Corporate Services	45 - 66
<b>7.2</b>	Sustainable Capital Budget Strategy 2022/32 – Report by the Executive Director of Corporate Services	67 - 80
<b>7.3</b>	Corporate Services Directorate Revenue Budget Monitoring 2021/22 – Month Four position – Report by the Executive Director of Corporate Services	81 - 88
<b>7.4</b>	Participatory Budgeting: Progress Update – Report by the Executive Director of Corporate Services	89 - 98
<b>7.5</b>	Workforce Dashboard – Report by the Executive Director of Corporate Services	99 - 110
<b>7.6</b>	Award of Contracts for Blended Employability Services – Report by the Executive Director of Place	111 - 120
<b>7.7</b>	Contract Award Recommendation Report – Supply and Installation of Corraling for Bin Hubs and Associated Road Works – Report by the Executive Director of Place	121 - 128
<b>7.8</b>	Award of Contract for City Centre West to East Cycle Link and Street Improvements Project Construction – Report by the Executive Director of Place	129 - 140
<b>7.9</b>	Contract Award Recommendation Report – Supply of Natural Stone Paving and Road Products – Report by the Executive Director of Place	141 - 148
<b>7.10</b>	Contract Award – Supply of Wheeled Bins and Kerbside Boxes – Report by the Executive Director of Place	149 - 158
<b>7.11</b>	Former Royal High School, Regent Road, Edinburgh – Proposed Disposal – Report by the Executive Director of Place	159 - 196

<b>7.12</b>	Mixed Tenure Improvement Service Pilot Progress – Report by the Executive Director of Place	197 - 206
<b>7.13</b>	Award of Flexible Purchasing System and Contracts for Temporary Accommodation – Report by the Executive Director of Place	207 - 218
<b>7.14</b>	Waiver Extension of Edinburgh Shared Repairs Services Framework Agreement – Report by the Executive Director of Place	219 - 222
<b>7.15</b>	Award of Contracts for Community Mental Health – Report by the Interim Executive Director of Education and Children's Services	223 - 236

## **8. Routine decisions**

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<b>8.1</b>	Contract Awards and Procurement Programme (Period 1 January to 30 June 2021) – Report by the Executive Director of Corporate Services	237 - 266
<b>8.2</b>	Summary Report on Property Transactions concluded under Delegated Authority – Report by the Executive Director of Place	267 - 282
<b>8.3</b>	Edinburgh Catering Services - Other Catering – Report by the Executive Director of Place	283 - 286
<b>8.4</b>	Plot 11 Craigmillar Town Centre – Proposed Transfer to Housing Revenue Account – Report by the Executive Director of Place	287 - 292
<b>8.5</b>	Block 1, Units 5 and 6, Pennywell Town Centre, Edinburgh Proposed Lease – Report by the Executive Director of Place	293 - 296
<b>8.6</b>	31 Jeffrey Street, Edinburgh – Proposed Lease Extension – Report by the Executive Director of Place	297 - 300

## **9. Motions**

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<b>9.1</b>	None.	
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## 10. Resolution to consider in private

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- 10.1** The 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 6, 8 and 9 of Part 1 of Schedule 7A of the Act.

## 11. Private Reports

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- 11.1** Reprioritisation of Capital Budget to support a Mobile Workforce Solution (Totalmobile) for homecare and reablement – Report by the Chief Officer, Edinburgh Health and Social Care Partnership 301 - 306
- 11.2** Unsuitable Accommodation Order Purchasing Homes – Report by the Executive Director of Place 307 - 316

## Motions and Amendments

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### Nick Smith

Service Director, Legal and Assurance

### Committee Members

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Councillor Rob Munn (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 Alasdair Rankin, Councillor Neil Ross and Councillor Mandy Watt

### Information about the Finance and Resources Committee

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The Finance and Resources Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council. This meeting of the Finance and Resources Committee is being held in the Dean of Guild Court Room in the City Chambers on the High Street in Edinburgh and remotely by Microsoft Teams.

### Further information

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If you have any questions about the agenda or meeting arrangements, please contact Rachel Gentleman and Emily Traynor, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel

0131 529 4107, email [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk) /  
[emily.traynor@edinburgh.gov.uk](mailto:emily.traynor@edinburgh.gov.uk)

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# Minutes

## Finance and Resources Committee

10.00am, Thursday 12 August 2021

### Present:

Councillors Munn (Convener), Griffiths (Vice-Convener), Booth (items 1 to 28), Bruce, Corbett, Gordon, Hutchison, Johnston, Frank Ross (substituting for Councillor Rankin), Neil Ross, Staniforth (substituting for Councillor Booth (items 29 to 39)) and Watt.

### 1. **Comiston Farmhouse, 83 Pentland View – Proposed Disposal**

#### a) **Deputation by CHOISS (Cohousing in Southern Scotland)**

The deputation asked the Committee to consider appointing CHOISS - Cohousing in Southern Scotland as preferred bidder for the purchase and development of Comiston Farmhouse to enable them to proceed to Stage 2 of a pioneering project for residents, neighbours and for the wider public benefit in Edinburgh.

They indicated that their proposals would retain community accessible areas of the building and contribute to sustainability. The deputation had consulted widely with the local community on their proposals and stressed that their funding was well planned and low risk and that this was a well thought out proposal.

#### b) **Report by the Executive Director of Place**

Comiston Farmhouse (Pentland View Close Support Unit) had closed in January 2015 and been marketed on two previous occasions with the transactions failing to complete. A further recent marketing exercise produced 14 bids at the closing date.

Approval was sought to appoint Burgh Developments Limited as the preferred bidder on the terms and conditions outlined in the report by the Executive Director of Place.

### Motion

To approve Burgh Developments Limited as preferred bidder for the disposal of the Former Close Support Unit, 83 Pentland View on the terms and conditions as outlined in the report by the Executive Director of Place and on other terms and conditions to be agreed by the Executive Director of Place.

- moved by Councillor Munn, seconded by Councillor Griffiths

### Amendment

To recognise Co-housing in Southern Scotland (CHOISS) as the preferred bidder in principle, on the basis of additional community, social and sustainability benefits

outlined, subject to a final report to this committee, in not less than two cycles, confirming deliverability in technical, planning and funding terms.

- moved by Councillor Corbett, seconded by Councillor Booth

### **Voting**

The voting was as follows:

For the motion - 9 votes  
For the amendment - 2 votes

(For the motion: Councillors Bruce, Gordon, Griffiths, Hutchison, Johnston, Munn, Frank Ross, Neil Ross and Watt.

For the amendment: Councillors Booth and Corbett.)

### **Decision**

To approve the motion by Councillor Munn.

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

### **Declaration of Interests**

Councillor Frank Ross declared a non-financial interest in the above item as a member of an active Community Asset Transfer elsewhere in the city.

## **2. Minutes**

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### **Decision**

To approve the minute of the Finance and Resources Committee of 20 May 2021 as a correct record.

## **3. Work Programme**

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

### **Decision**

To note the Work Programme.

(Reference – Work Programme of 12 August 2021, submitted.)

## **4. Rolling Actions Log**

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

### **Decision**

- 1) To agree to close the following actions:
  - Action 1 – The City of Edinburgh Charitable Trusts – Report to Those Charged with Governance on the 2019/20 Audit
  - Action 3 – Rolling Actions Log - Trustees



- Action 4 – Award of Contract for the Provision of Temporary Agency Staff, Permanent Fixed Term Contract and Short Term Supply Resources
- Action 7 – Revenue Budget 2020/21 and 2021/26 Budget Framework Update
- Action 11 – Petition for Consideration: Remove all Defunct Statutory Repair Notices
- Action 12 (1) – Revenue Budget Framework 2021/26 Update

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log of 12 August 2021, submitted.)

## 5. Business Bulletin

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

### Decision

To note the Business Bulletin.

(Reference – Business Bulletin, 12 August 2021, submitted.)

## 6. 2021-31 Sustainable Capital Budget Strategy – Outturn 2020/21 and Revised Budget 2021/22

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An update report provided the Committee with information on capital expenditure and funding outturns for 2020/21 with explanations for key variances.

Approval was sought of the revised capital budget strategy for 2021/22 which was set out at Appendix 2 to the report. A further update would be provided to the Committee in October 2021 which would focus on addressing identified funding pressures.

### Decision

- 1) To note the 2020/21 unaudited capital outturn for the Council's General Fund and Housing Revenue Account (HRA).
- 2) To refer the report by the Executive Director of Corporate Services to the Governance, Risk and Best Value Committee as part of its work programme.
- 3) To approve the revised capital budget strategy for the financial year 2021/22, as set out in Appendix 3.
- 4) To note a further update on the Sustainable Capital Budget Strategy would be brought to the Finance and Resources Committee on 7 October 2021, with a focus on addressing the funding pressure identified in the report.
- 5) To note the revised HRA capital budget strategy for the financial year 2021/22, as approved by the Housing, Homelessness and Fair Work Committee and set out in Appendix 4 to the report.

- 6) To note the Council's Prudential Indicators for the Revised Budget 2021/22, as set out in Appendix 5 to the report.
- 7) To note that the National Housing Trust (NHT) advances for Sailmaker and Telford North had been repaid in full, in accordance with the NHT scheme.

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

## **7. Revenue Monitoring 2020/21 – Outturn Report**

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Details were provided on the provisional 2020/21 revenue outturn position for the Council based on the unaudited annual accounts. This position showed an overall underspend of £8.080m, of which £7m, following approval by Council on 27 May 2021, will be used to fund a range of largely one-off service investments in 2021/22.

### **Decision**

- 1) To note that, following the receipt of significant additional grant funding late in the year, the provisional outturn position for 2020/21 showed an overall underspend of £8.080m and that this sum had been set aside in reserves, with £7m used to fund the range of service investment approved by Council on 27 May 2021.
- 2) To note the contributions to and from the General Fund in 2020/21 as detailed in the report by the Director of Corporate Services.
- 3) To note that the Housing Revenue Account was balanced after making a contribution of £11.103m towards in-year and future capital investment.
- 4) To approve, subject to confirmation of the audited outturn and onward ratification by Council, a contribution of up to £21,660 to support the Edinburgh Boundaries Extension and Tramways Act 1920 Centennial commemorations.
- 5) To note the intention to submit the audited annual accounts and annual auditor's report initially to the Governance, Risk and Best Value Committee and thereafter to the Finance and Resources Committee in November 2021, for approval.
- 6) To refer the report to the Governance, Risk and Best Value Committee as part of its workplan.

(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

## **8. Revenue Monitoring 2021/22 – Month Three Position**

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Details were provided on the Revenue Budget 2021/22 month three position which set out the first projected Council-wide revenue budget position for the year, based on analysis of the first three months' financial data. While 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, based on current estimates of the in-year financial impacts of the pandemic, a balanced overall position was projected.
- 2) To note, nonetheless, the potential for further expenditure pressures to emerge during the remainder of the year given remaining uncertainty over its medium to longer-term impacts of the pandemic and thus the on-going need for pressures, savings delivery shortfalls and risks to be fully and proactively managed within Directorates and the Health and Social Care Partnership.
- 3) To note that, in light of the above, updates would continue to be provided to members of the Committee during the remainder of the year.
- 4) To refer the report to the Governance, Risk and Best Value Committee for scrutiny 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

## **9. Resources Directorate: Revenue Budget Monitoring 2021/22 – Month Three position**

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Details were provided on the projected three-month revenue monitoring position for services delivered by Resources Directorate, based upon actual expenditure and income to the end of June 2021 and expenditure and income projections for the remainder of the financial year. Services delivered by Resources Directorate were forecast to be within budget for 2021/22.

## **Decision**

- 1) To note that services delivered by Resources Directorate were forecast to be within budget for 2021/22.
- 2) 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 provision for Coronavirus additional costs and loss of income approved by Council on 27 May 2021.
- 3) To note that measures would continue to be progressed to identify additional savings required to offset budget pressures to achieve outturn expenditure in line with the approved revenue budget for 2021/22.
- 4) To note the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by Resources Directorate.

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

## **10. Chief Executive's Services - Revenue Budget Monitoring 2021/22 - Month Three position**

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Details were provided on the projected month three revenue budget monitoring position for Chief Executive's Services, based on actual expenditure and income to the end of June 2021 and expenditure and income projections for the remainder of the financial year. The Chief Executive's Services was projecting expenditure to be within budget for 2021/22 and the attainment of this position was subject to ongoing active management of risks and pressures.

### **Decision**

To note that the forecast outturn expenditure would be within the approved revenue budget for Chief Executive's Services for 2021/22.

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

## **11. Treasury Management: Annual Report 2020/21**

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An update on Treasury Management activity in 2020/21 was provided. The Council had adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management must be submitted to the Council after the end of each financial year.

### **Decision**

- 1) To note the Annual Report on Treasury Management for 2020/21.
- 2) To refer the report to Council for approval.
- 3) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.

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

## **12. Update on the implementation of the Construction Charter**

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An update was provided on the Council's promotion of the Construction Charter Commitments, which set out the expectations the Council had for those contractors who undertook construction work on the Council's behalf.

### **Decision**

To note the ongoing work of the Council in promoting the Construction Charter Commitments.

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

## **13. Sustainable Procurement Strategy Annual Report - 2021**

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The Sustainable Procurement Annual Report was presented which provided the Committee with an update on the activity and outcomes that had been delivered through the Strategy from 1 April 2020 to 31 March 2021. The Annual Report also recorded the impact the Covid-19 pandemic had had on the Council's procurement activity during the period in question.

## **Decision**

- 1) To note the report by the Executive Director of Corporate Services and approve the publication of the Sustainable Procurement Strategy Annual Report 2021.
- 2) To approve the updating of the Council's Sustainable Procurement Strategy (2020-2025), with references to Edinburgh being a carbon-neutral city by 2030 being replaced with Edinburgh being a net zero carbon city by 2030, as referred to in paragraph 4.9 of the report.

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

## **14 Finance and Procurement Policies – Assurance Statement**

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Details were provided of the annual review of the suite of Finance and Procurement Policies which had attested to their on-going currency, relevance and appropriateness.

### **Decision**

To note and be assured that the Finance and Procurement policies detailed in the report by the Executive Director of Corporate Services had been reviewed and were considered to remain current, relevant and fit-for-purpose.

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

## **15. Workforce Insight and Controls - Annual Report**

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A summary was provided of workforce insights for the core and flexible (agency and overtime) workforce for the 2020/21 financial year.

### **Decision**

- 1) To note the progress made to date and the workforce trends over the period April 2020 to March 2021.
- 2) 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.)

## **16. Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed-Term Contract and Short-Term Supply Resources – Coalition Addendum Update**

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The Committee had approved the Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed-Term Contract and Short-Term Supply Resources and requested a further report on the opportunities and additional measures that could be introduced to further reduce agency worker spend by the Council.

Details were provided on the progress on identifying opportunities and additional measures that could be introduced to further reduce agency worker spend by the Council.

## Decision

- 1) To note a further reduction of £1.7m in agency spend during 2020/21. This reduction meant agency spend had reduced by £4m (18.5%) over the last two financial years.
- 2) To refer the report to the Edinburgh Integration Joint Board to consider what steps, if any, could be taken to reduce agency worker spend by the Edinburgh Health and Social Care Partnership.
- 3) To note that an Officer Working Group jointly led by the Head of Human Resources and Head of Place Management had been established to provide further scrutiny on agency spend, amongst other workforce costs.
- 4) To note that the Council's Strategic Workforce Plan 2021-2024, as approved by the Policy and Sustainability Committee, committed to a number of workforce actions including the development of more detailed and operational Divisional workforce plans for specific areas which would include the management and controlled utilisation of flexible workforce (agency workers, casual workers and overtime).

(References – Finance and Resources committee of 21 January 2021 (item 12); report by the Executive Director of Corporate Services, submitted.)

## 17. Appointments to Working Groups 2021/22

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The Finance and Resources Committee was required to appoint the membership of its Working Groups for 2021/22. The proposed membership, structures and remits of each were detailed in Appendices 1 to 3 of the report by the Executive Director of Corporate Services.

### Decision

- 1) To appoint the membership of the Joint Consultative Group as detailed in Appendix 1 to the report with the adjustment of Councillor Miller replacing Councillor Main.
- 2) To appoint the membership of the Elected Member ICT and Digital Sounding Board in Appendix 2 to the report.
- 3) To appoint the membership of the Council Health and Safety Consultation Forum in Appendix 3 to the report.
- 4) To postpone the re-appointment of the Property Sub-Committee until such time as a meeting of the Sub-Committee was deemed necessary.
- 5) To approve the remits of the Joint Consultative Group, Elected Member ICT and Digital Sounding Board, and the Council Health and Safety Consultation Forum 2021/22 as set out in Appendices 1 to 3 of the report.

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

## 18. Asset Management Works Programme – 2020/2021 Update

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An update was provided on the progress of the Asset Management Works (AMW) Programme, with the programme now having completed three full years of delivery. The report provided details of the AMW's achieved in 2020/2021 and their positive impact on the condition of the Council's operational estate; the impact of Covid-19 on programme delivery; and forecast how the programme would evolve in the final two years and beyond to meet Council objectives and sustainability initiatives such as EnerPHit.

### Decision

- 1) To note that due to Covid-19, the pace of delivery of the five-year Asset Management Works Programme had slowed down in 2020-2021; but the overall programme was on schedule.
- 2) To note the continuing positive impact of the AMW Programme by improving the asset condition of the operational assets (in 2020/2021 approximately 1.5% improvement in overall asset condition) and the associated benefits they brought to the stakeholders such as better building environments for users.
- 3) To note the actual 2020/2021 spend was £14,517,343; and which represented 48.4% of the 2020/2021 indicative budget.
- 4) To note the overall five-year AMW Programme capital spend remained ahead of schedule. Up to the end of March 2021, with 60% of the programme time expended, the total AMW Programme spend was at 69.9%.
- 5) To note the additional funding required in the programme as proposed in the Capital Budget Strategy to ensure programme progress and as the AMW Programme had been identified as the future delivery route for 'EnerPHit'.

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

## 19. Provision of Stair Cleaning Services Framework

---

Approval was sought to award a Framework Agreement for the provision of a stair cleaning service for a period of up to four years, with the service as outlined in the service specification awarded to the first ranked supplier, ISS Facility Services Limited.

### Decision

- 1) To approve the appointment to a Framework Agreement for the provision of a city-wide stair cleaning service to:
  - a) ISS Facility Services Limited;
  - b) Caledonian Maintenance Services Limited; and
  - c) Perfect Clean Edinburgh Limited.
- 2) To approve the award of contract for the service to the first ranked supplier, ISS Facility Services Limited.

- 3) To note the commencement of the contract from 1 September 2021 for an initial period of two years with the option to extend to a maximum period of 24 months.
- 4) To note the total estimated value for the contract of £4m over the maximum four-year period.

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

## **20. Contract for Provision of Enhanced Cleaning Services**

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To mitigate further delays in the contract provision of enhanced cleaning services in response to COVID-19, approval was sought to delegate authority to the Executive Director of Place, in consultation with the Convener and Vice-Convener of the Committee, to award a contract for the provision of such services once the ongoing tender process had been completed, the process having been delayed due to the impact of the COVID-19 pandemic.

### **Decision**

- 1) To delegate authority to the Executive Director of Place, in consultation with the Convener and Vice-Convener of the Finance and Resources Committee, to award a contract to enable the continued provision of enhanced cleaning services as part of the Council's property estate protection against COVID-19 with the award anticipated in early October 2021.
- 2) To approve an extension of the existing waiver under the Contract Standing Orders for the provision of enhanced cleaning services by RON Services Limited until 31 December 2021, at an estimated cost of £750,000, to ensure there was sufficient flexibility and contingency to allow the above-mentioned award and implementation of a new contract to complete.

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

## **21. Supported Bus Service 400 – Extension via Waiver**

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Approval was sought to continue to extend a supported bus service contract with Lothian Buses for the number 400 off-peak service, via a waiver of the Council's Contract Standing Orders. This would be in place initially for one year, with the option of a further year if necessary and the overall cost to the Council of this waiver would be in the region of £350,000.

### **Decision**

- 1) To approve an extension, via a waiver of the Council's Contract Standing Orders to support the off-peak operation of the Lothian Buses service 400. This extension would be for a one year period with the option of a further year if necessary.
- 2) To note the overall cost to the Council of this waiver would be in the region of £350,000 over this two year period. This remained within the existing annual supported bus services budget allocation.

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



## **22. Edinburgh Shared Repairs Service (ESRS), Property Enquiry Certificate (PEC) Charges – Short Life Working Group Outcome**

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Following consideration of a petition the Committee had agreed to set up a short life working group to consider further the Council process involved in a property search of statutory notices during the sale of tenement flats in the city.

Details were provided on the proposed outcome from the working group which had met on 14 June 2021 to consider a discussion paper containing options to address the concerns raised in the petition.

### **Decision**

- 1) To note the recommendation from the working group to refund charges for statutory notice Property Enquiry Certificate reports showing no debt was outstanding and that this needed to be considered as part of the 2022/2023 budget setting exercise.
- 2) To note the financial implications of this change in procedure on future budget forecasts.

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

## **23. Waiver Extension – Engineering Inspections**

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Details were provided on the contract extension for Engineering Inspection Services to Zurich Municipal, through a waiver of the Contract Standing Orders, to run until 30 September 2022, at an estimated value of £187,911. This contract extension had been awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions, the Executive Director of Place having taken that decision in consultation with Convener and Vice-Convener of the Finance and Resources Committee, subject to it being reported to the Committee.

The proposed extension and subsequent tender of the Engineering Inspection Services contract would be fully retendered as part of the Council's insurance programme and managed by Insurance Services thereafter, with individual operational services responsible for the accuracy of information provided on an ongoing basis.

### **Decision**

- 1) To note the contract extension for the Engineering Inspections Services to Zurich Municipal until 30 September 2022, through a waiver of the Contract Standing Orders, at an estimated total cost of £187,911. This contract extension was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Place, in consultation with the Convener and Vice Convener of the Finance and Resources Committee.
- 2) To note that the replacement contract would be retendered and would be managed by Insurance Services with individual operational services responsible for the accuracy of information provided on an ongoing basis.

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

## 24. Waiver to Extend Contracts for Domestic Abuse

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Approval was sought to extend the Council's current domestic abuse contracts for 12 months from 1 April 2022 to 31 March 2023. These contracts had an annual value of £1,091,889 and were provided by three Service Providers – Edinburgh Women's Aid, Four Square Scotland and Shakti Women's Aid.

### **Decision**

To approve the request to extend current domestic abuse contracts due to the impact of Covid-19.

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

## 25. Extension of Pupil Equity Funding Open Framework Agreement CT2232

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Approval was sought for the extension of the Pupil Equity Funding Open Framework for a period of 18 months to promote access and enable compliant commissioning of services focused on closing the poverty related attainment gap in schools. The extension would allow Edinburgh schools the continued access to 106 providers as detailed in Appendix 1 to the report by the Interim Executive Director of Education and Children's Services.

### **Decision**

To agree to allow the waiver of Contract Standing Orders to permit the extension of the Pupil Equity Funding Open Framework for the duration of 18 months to ensure continuity of the service provisions.

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

## 26. Contract Award Recommendation Report for the Supply and Delivery of Furniture and Furnishings for Temporary Accommodation

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Approval was sought to award the contract for the Supply and Delivery of Furniture and Furnishings to CF Services Limited to commence on 24 August 2021 for an initial period of three years with the option to extend for a further 12-month period.

### **Decision**

- 1) To approve the award of the contract for the Supply and Delivery of Furniture and Furnishings to CF Services Limited.
- 2) To approve the commencement of the contract on 24 August 2021 for a period of three years with the option to extend for a further 12-month period, at a total estimated cost of £4m.

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

## **27. Health and Social Care Contracting Update**

---

Details were provided on the current Health and Social Care Partnership commissioning activity and how this impacted on contractual arrangements including the requirement to waive the requirement of Contract Standing Orders to allow contracts to be extended at the expiry of the current contract duration.

### **Decision**

To approve the waiver of Contract Standing Orders to allow the award of contract extensions to the providers for the value and duration as set out in the appendix to the report by the Chief Officer, Edinburgh Health and Social Care Partnership.

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

## **28. Attendance at London Real Estate Forum**

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The Convener ruled that the following item, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Committee to give early consideration to the matter.

Details were provided on the London Real Estate Forum (LREF) which was taking place in London from 28-30 September 2021. The Scottish Cities Alliance (SCA) was staging a programme of wraparound events on the theme of resilient cities.

### **Decision**

To agree to the attendance of the Council Leader and Depute Leader at the London Real Estate Forum and wraparound events as detailed in the report by the Executive Director of Place.

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

## **29. Internal Audit: Overdue Findings and Key Performance Indicators as at 27 April 2021 – referral from the Governance, Risk and Best Value Committee**

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The Governance, Risk and Best Value Committee had referred a report on Internal Audit Overdue Findings and Key Performance Indicators as at 27 April 2021, which provided an overview of the status of the overdue Internal Audit findings as at 27 April 2021 to the Finance and Resources Committee for information.

### **Decision**

To note the report by the Governance, Risk and Best Value Committee.

(References – Governance, Risk and Best Value Committee 8 June 2021 (item 5): referral from the Governance, Risk and Best Value Committee, submitted.)

### 30. Workforce Dashboard

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

#### **Decision**

To note the workforce information contained in the dashboard.

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

### 31. Servitude for Pipe Diversion at Hopetoun Road, South Queensferry

---

Approval was sought for the granting of a Deed of Servitude to Ambassador Homes for the diversion of a 375mm diameter sewer pipe approximately 109m in length.

#### **Decision**

To approve the granting of a Deed of Servitude in favour of Ambassador Homes Limited under the terms and conditions outlined in the report by the Executive Director of Place.

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

### 32. Proposed Lease Extension for Kings Theatre and Proposed New Lease for Festival Theatre

---

Approval was sought for the granting of a 50-year lease extension on the King's Theatre and a 52-year lease of Festival Theatre (this would result in the leases being coterminus) to Capital Theatres Limited on the terms and conditions outlined in the report by the Executive Director of Place.

#### **Decision**

To approve the lease extension for the Kings Theatre and new lease of the Festival Theatre to Capital Theatres Limited 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 Resources, submitted.)

### 33. Plots K and L, Greendykes – Proposed Transfer to Housing Revenue Account

---

Approval was sought for the transfer of the site at Plots K and L, Greendykes to the Housing Revenue Account on the terms and conditions outlined in the report by the Executive Director of Place.

#### **Decision**

- 1) To approve the transfer of Greendykes North Plots K and L at Craigmillar. To the Housing Revenue Account on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

2) To instruct the EDI Board on the necessary steps to proceed with the transfer.  
(Reference – report by the Executive Director of Place, submitted.)

### **34. Granton Station, Granton Waterfront, Edinburgh – Proposed Lease**

---

Details were provided on the former Granton Station which was currently being refurbished to bring the historic building back into use as an enterprise hub together with derelict land, in front of the building, being developed into a high-quality public square. It was anticipated that works would complete in early 2022.

Approval was sought to lease the building, on completion of the works, to Wasps Ltd, on the terms and conditions outlined in the report.

#### **Decision**

To approve a 25-year lease of Granton Station to Wasps Ltd on the terms outlined in this 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.)

### **35. Second Floor, Ratho Park (Phase 3), Edinburgh – Proposed New Lease**

---

Approval was sought to grant a 20-year lease on the second floor office suite at Phase 3 Ratho Park, Newbridge which had been vacant since August 2018 with little interest during marketing, to Nykobing Ltd on the terms and conditions outlined in the report by the Executive Director of Place.

#### **Decision**

To approve a new 10-year lease to Nykobing Ltd of the second Floor Office Suite, Ratho Park – Phase 3, 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.)

### **36. Trinity Apse, Edinburgh – Proposed New Lease**

---

Approval was sought to grant a new 10-year lease of Trinity Apse to The Crafting Cartel Limited on the terms and conditions outlined in the report by the Executive Director of Place.

#### **Decision**

To approve a new 10-year lease to The Crafting Cartel at Trinity Apse, 10 Chalmers Close, 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.)

### **37. Award of Contracts for IP Video Surveillance System and Fibre Network**

---

Approval was sought for the award of two contracts for the provision and maintenance of an IP Video Surveillance System to North SV Limited at a total value of £2,652,450; and the provision of Fibre Network to British Telecommunications plc at a total value of £866,550.

#### **Decision**

- 1) To approve the award of a contract for the delivery of Internet Protocol (IP) Video Surveillance System (Lot 1) to North SV Limited at a total value of £2,652,450.
- 2) To approve the award of a contract for the provision of Fibre Network (Lot 2) to British Telecommunications plc at a total value of £866,550.
- 3) To approve the commencement of the two contracts on 6 September 2021 for an initial period of five years with two optional extensions of three and two years undertaken at the sole discretion of the Council.

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

### **38. Chief Officer Voluntary Redundancy Business Case**

---

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

Details were provided on an urgent decision which had been taken in accordance with section 4.1 of the Council’s Committee Terms of Reference and Scheme of Delegation to Officers, by the Chief Executive, in consultation with the Convener and Vice Convener of Finance and Resources to approve a Voluntary Redundancy (VR) Business Case for a Chief Officer.

#### **Decision**

- 1) To note that following Council approval 27 May 2021 to progress with the Senior Leadership Review, the internal phase of the Senior Leadership Review had now been completed, resulting in a number of internal appointments to new Chief Officer roles in line with the Council’s approved Organisational Change Policy.
- 2) To note as a result of this phase of implementation being completed and associated statutory obligations, an urgent decision in accordance with section 4.1 of the Council’s Committee Terms of Reference and Scheme of Delegation to Officers was taken by the Chief Executive, in consultation with the Convener and Vice Convener of Finance and Resources to approve a Voluntary Redundancy (VR) Business Case for a Chief Officer.

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

## **Declaration of Interests**

Councillor Corbett declared a non-financial interest in the above item as the staff member named in the report was a personal friend.

## **39. Lauriston Castle Trust**

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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 and 12 Part 1 of Schedule 7(A) of the Act.

Details were provided on the principal findings of an external review of the effectiveness of current governance arrangements in discharging the Council's responsibilities under the Deed of Trust for Lauriston Castle Trust.

### **Decision**

- 1) To agree to implement Option 2 in the report subject to a further report being submitted to full Council which addressed:
  - a) the appointment of only Councillor Trustees at the moment.
  - b) appropriate support being made available to purchase indemnity insurance for Councillor trustees and providing legal and administrative support for at least 6 months.
  - c) a routemap setting out a proposed way forward for the Trust.
- 2) To agree that the Executive Director of Corporate Services examine the arrangements for the other trusts of which the Council was sole trustee with reference to the arrangements agreed for Lauriston Castle Trust.

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

### **Declaration of Interests**

Councillor Staniforth declared a financial interest as he was a paid performer at Lauriston Castle and left the meeting during the Committee's consideration of the above item.

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# Work Programme

## Finance and Resources Committee

7 October 2021

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
1.	Workforce Dashboard	All F&R Committees		Executive Director of Corporate Services Lead Officer: Katy Miller 0131 469 5522 <a href="mailto:katy.miller@edinburgh.gov.uk">katy.miller@edinburgh.gov.uk</a>	All F&R Committees
2.	Council Commercial Property Portfolio – Update Report	Committee agreed to receive regular updates, where required, on 29 October 2020		Executive Director of Place Lead Officer: Graeme McGartland 0131 529 5956 <a href="mailto:graeme.mcgartland@edinburgh.gov.uk">graeme.mcgartland@edinburgh.gov.uk</a>	TBC
3.	Revenue Monitoring – Council-wide	Quarterly Report		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	December 2021

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
4.	Revenue Budget Risks and Reserves Report	Annual Report		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	January 2022
5.	Capital Monitoring – Council-wide	Quarterly Report		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	December 2021
6.	Corporate Services Directorate - Revenue Budget Monitoring	Quarterly Report		Executive Director of Corporate Services Lead Officer: Iain Shaw 0131 469 3117 <a href="mailto:iain.shaw@edinburgh.gov.uk">iain.shaw@edinburgh.gov.uk</a>	December 2021
7.	Chief Executive – Revenue Budget Monitoring	Quarterly Report		Chief Executive Lead Officer: Iain Shaw 0131 469 3117 <a href="mailto:iain.shaw@edinburgh.gov.uk">iain.shaw@edinburgh.gov.uk</a>	December 2021
8.	Miscellaneous Debts Write Off – 6 monthly operational update (B Agenda)	Six Monthly Report		Executive Director of Corporate Services Lead Officer: Nicola Harvey 0131 469 5016	December 2021

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
				<a href="mailto:nicola.harvey@edinburgh.gov.uk">nicola.harvey@edinburgh.gov.uk</a>	
9.	Contract Award and Procurement Programme	Six Monthly Report		Executive Director of Corporate Services Lead Officer: Iain Strachan 0131 529 4930 <a href="mailto:iain.strachan@edinburgh.gov.uk">iain.strachan@edinburgh.gov.uk</a>	December 2021
10.	Change Strategy 2021/24	Annual Update Report, incorporating impacts of provisional Local Government Finance Settlement		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	January 2022
11.	Housing Revenue Account Budget Strategy	Annual Report		Executive Director of Place Lead Officer: Elaine Scott 0131 529 2277 <a href="mailto:elaine.scott@edinburgh.gov.uk">elaine.scott@edinburgh.gov.uk</a>	January 2022
12.	Capital Budget Strategy 2020/30	Annual Update Report, incorporating impacts of provisional Local Government		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	January 2022

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
		Finance Settlement			
13.	Annual Fraud Prevention and Detection	Annual Report		Executive Director of Corporate Services Lead Officer: Nicola Harvey 0131 469 5016 <a href="mailto:nicola.harvey@edinburgh.gov.uk">nicola.harvey@edinburgh.gov.uk</a>	October 2022
14.	City of Edinburgh Council – 2020/21 Annual Audit Report to the Council and the Controller of Audit – referral by the Governance, Risk and Best Value Committee	Annual Report		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	November 2021
15.	The City of Edinburgh Council Charitable Trusts – report to those charged with governance on the 2020/21 audit	Annual Report		Executive Director of Corporate Services Lead Officer: John Aghodeaka 0131 469 5348 <a href="mailto:john.aghodeaka@edinburgh.gov.uk">john.aghodeaka@edinburgh.gov.uk</a>	November 2021
16.	2020/21 Common Good Annual Performance Report	Annual Report		Executive Director of Corporate Services Lead Officer: John Aghodeaka	November 2021

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
				0131 469 5348 <a href="mailto:john.aghodeaka@edinburgh.gov.uk">john.aghodeaka@edinburgh.gov.uk</a>	
17.	Annual Treasury Management Strategy 2021/22	Annual Report		Executive Director of Corporate Services Lead Officer: Innes Edwards 0131 469 6291 <a href="mailto:innes.edwards@edinburgh.gov.uk">innes.edwards@edinburgh.gov.uk</a>	August 2022
18.	Treasury Management Mid-Term Report 2021/22	Annual Report		Executive Director of Corporate Services Lead Officer: Innes Edwards 0131 469 6291 <a href="mailto:innes.edwards@edinburgh.gov.uk">innes.edwards@edinburgh.gov.uk</a>	December 2021
19.	Asset Management Works Programme	Annual Report  The report is normally presented at the financial year end to update Committee on the outcome of the 12-month programme.		Executive Director of Place Lead Officer: Peter Watton 0131 529 5962 <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	May 2022

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
20.	Health and Safety Performance	Annual Report		Executive Director of Corporate Services Lead Officer: Nick Smith 0131 529 4377 <a href="mailto:nick.smith@edinburgh.gov.uk">nick.smith@edinburgh.gov.uk</a>	March 2022
21.	Workforce Control Annual Report	Annual Report		Executive Director of Corporate Services Lead Officer: Katy Miller 0131 469 5522 <a href="mailto:katy.miller@edinburgh.gov.uk">katy.miller@edinburgh.gov.uk</a>	August 2022
22.	Commercial and Procurement Annual Report	Annual Report		Executive Director of Corporate Services Lead Officer: Iain Strachan 0131 529 4930 <a href="mailto:iain.strachan@edinburgh.gov.uk">iain.strachan@edinburgh.gov.uk</a>	August 2022
23.	Appointments to Working Groups	Annual Report		Executive Director of Corporate Services Lead Officer: Rachel Gentleman 0131 529 4107 <a href="mailto:rachel.gentleman@edinburgh.gov.uk">rachel.gentleman@edinburgh.gov.uk</a>	August 2022
24.	Depot Strategy – Phase 2	Requests further reports as progress is made		Executive Director of Place Lead Officers: Gareth Barwell / Peter Watton 0131 529 5962 / 0131 529 5962	TBC

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
				<a href="mailto:gareth.barwell@edinburgh.gov.uk">gareth.barwell@edinburgh.gov.uk</a> / <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	
25.	Consultants Costs Annual Report	Annual Report		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	November 2021
26.	Finance and Procurement Annual Policies Assurance	Annual Report		Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	August 2022
27.	Construction Charter Annual Update	Annual Report		Executive Director of Corporate Services Lead Officer: Iain Strachan 0131 529 4930 <a href="mailto:iain.strachan@edinburgh.gov.uk">iain.strachan@edinburgh.gov.uk</a>	August 2022

## Finance and Resources Committee Upcoming Reports

## Appendix 1

Report Title	Directorate	Lead Officer
<b>November 2021 (special meeting)</b>		
City of Edinburgh Council – 2020/21 Annual Audit Report to the Council and the Controller of Audit – referral from the Governance, Risk and Best Value Committee	Corporate Services	Hugh Dunn
The City of Edinburgh Council Charitable Trusts – report to those charged with governance on the 2020/21 audit	Corporate Services	Hugh Dunn / John Aghodeaka
Accounts Commission: Local Government in Scotland Overview 2021	Corporate Services	Hugh Dunn
2020/21 Common Good Annual Performance Report	Corporate Services	Hugh Dunn / John Aghodeaka
Consultants Costs Annual Report	Corporate Services	Hugh Dunn
<b>December 2021</b>		
Revenue Monitoring – Council-wide	Corporate Services	Hugh Dunn
Capital Monitoring – Council-wide	Corporate Services	Hugh Dunn
Corporate Services Directorate - Revenue Budget Monitoring	Corporate Services	Hugh Dunn



Chief Executive – Revenue Budget Monitoring	Corporate Services	Hugh Dunn
Miscellaneous Debts Write Off – 6 monthly update (private report)	Corporate Services	Nicola Harvey
Annual Fraud Prevention and Detection	Corporate Services	Nicola Harvey
Workforce Dashboard	Corporate Services	Katy Miller
Treasury Management Mid Term Report	Corporate Services	Hugh Dunn / Innes Edwards
Edinburgh Catering Services - Other Catering Significant Trading Operation (STO) - Update	Place / Corporate Services	Peter Watton / Hugh Dunn
Leith Theatre	Place	Karl Chapman
Edinburgh and South East Scotland City Region Deal – Dunard Centre	Place	Andy Nichol

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# Rolling Actions Log

## Finance and Resources Committee

7 October 2021

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	05.11.20	<a href="#">Consultants Costs 2019/20</a>	To agree to provide further context around the use of consultants.	Executive Director of Corporate Services	November 2021		<b>Update December 2020</b> This information will be included in the next annual report.
2	21.01.21	Former Royal High School, Regent Road, Edinburgh – Options Paper (private report)	Instructs the Executive Director of Corporate Services to proceed with option 4 as set out in the report, with a further progress paper to be brought to the Committee on 20 May 2021	Executive Director of Place	October 2021		<b>Recommended for Closure</b> Report on agenda for October meeting.
3	04.03.21	<a href="#">Annual Treasury Management Strategy 2021/22</a>	To agree to include more detail on the level of borrowing in the six-	Executive Director of	December 2021		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			month period Treasury Management report.	Corporate Services			
4	04.03.21	<a href="#">Edinburgh Catering Services - Other Catering Significant Trading Operation (STO) - Update</a>	Agree a report is presented to a future meeting of the Finance and Resources Committee, setting out a business case for re-commencement of Edinburgh Catering Services - Other Catering trading activities.	Executive Director of Place	December 2021		<b>Recommended for closure</b> Report on agenda for October meeting
5	04.03.21	<a href="#">Liberton Hospital, Edinburgh – Proposed Acquisition</a>	Notes that a further report will be brought to a future Finance and Resources Committee to provide an update on the progress of the acquisition.	Executive Director of Place	October 2021		<b>Recommended for closure</b> Update in Business Bulletin in October 2021
6	04.03.21	<a href="#">Award of Contract for Site Re-development Works at North</a>	To agree to provide an update on further opportunities for funding for the project	Executive Director of Place	TBC		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		<a href="#">Cairntow Traveller Site</a>	once more detail was known.				
7	20.05.21	<a href="#">Revenue Budget Framework 2021/26 Update</a>	1) To agree to provide a briefing on the process and outcomes of the two feasibility studies.	Executive Director of Corporate Services		May 2021	<b>Closed</b> Briefing note was circulated to Full Council on the 26 <sup>th</sup> May 2021
			2) To agree to provide further detail on the £1.2m cost for Prevention and Community Engagement.	Executive Director of Place	TBC		
8	12.08.21	<a href="#">2021-31 Sustainable Capital Budget Strategy – Outturn 2020/21 and Revised Budget 2021/22</a>	To note a further update on the Sustainable Capital Budget Strategy would be brought to the Finance and Resources Committee on 7 October 2021, with a focus on addressing the funding pressure identified in the report.	Executive Director of Corporate Services	October 2021		<b>Recommended for closure</b> Report on agenda October 2021

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
9	12.08.21	Lauriston Castle Trust (private report)	<p>1) To agree to implement Option 2 in the report subject to a further report being submitted to full Council which addressed:</p> <ul style="list-style-type: none"> <li>• the appointment of only Councillor Trustees at the moment</li> <li>• appropriate support being made available to purchase indemnity insurance for Councillor trustees and providing legal and administrative support for at least 6 months</li> <li>• a routemap setting out a proposed way</li> </ul>	Executive Director of Corporate Services	February 2022		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			forward for the Trust.				
			2) To agree that the Executive Director of Corporate Services examine the arrangements for the other trusts of which the Council was sole trustee with reference to the arrangements agreed for Lauriston Castle Trust.	Executive Director of Corporate Services	February 2022		

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# Business Bulletin

## Finance and Resources Committee

10.00am, Thursday, 7 October 2021

Via Microsoft Teams

# Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Councillor Rob Munn</p>  <p>Vice-Convener Councillor Joan Griffiths</p> 	<p>Councillor Chas Booth Councillor Graeme Bruce Councillor Gavin Corbett Councillor George Gordon Councillor Graham Hutchison Councillor Andrew Johnston Councillor Alasdair Rankin Councillor Neil Ross Councillor Mandy Watt</p>	<p>Rachel Gentleman Committee Services <a href="mailto:rachel.gentleman@edinburgh.gov.uk">rachel.gentleman@edinburgh.gov.uk</a> 0131 529 4107</p> <p>Sarah Stirling Committee Services <a href="mailto:sarah.stirling@edinburgh.gov.uk">sarah.stirling@edinburgh.gov.uk</a> 0131 529 3009</p>

Recent News	Background	Contact
<p><b>Community Asset Transfers – Annual Report</b></p> <p>Under Section 95 of the Community Empowerment (Scotland) Act 2015, the Council must publish an annual return by 30 June, specifying certain Community Asset Transfer (CAT) activity and the steps taken to promote CAT with community bodies from 1 April 2020 to 31 March 2021. The <a href="#">report</a> has been published on the Council website.</p> <p>The report only includes requests that have been considered by a Stage 2 panel (sustainable business case). In addition to the requests formally reported, we also dealt with the following during the reporting period:</p> <ul style="list-style-type: none"> <li>• 28 initial enquiries – most were requests requiring research and informal meetings with potential applicants;</li> <li>• Four Stage 1 panels – convened to assess expressions of interest and to allow successful requests to proceed towards Stage 2; and</li> <li>• 11 live cases which are currently being considered, with the majority preparing their sustainable business cases for a Stage 2 panel submission.</li> </ul> <p>As noted in the report, a range of activities to promote and support CAT by community bodies have been undertaken and have been well received. We continue to provide support and guidance to community groups, council officials and elected members.</p>		<p><a href="#">Lesley Turner</a>, Operational Estate Manager</p> <p>Tel: 0131 529 5954</p>
<p><b>King’s Theatre – Lease Extension</b></p> <p>On <a href="#">12 August 2021</a>, Finance and Resources Committee, approved a 50 year lease extension with break clauses at five year intervals at the request of the tenant and it was proposed to complete the lease on this basis.</p> <p>Following the committee meeting, the tenant has met with National Lottery Heritage Fund to discuss their grant application and has been advised that, as a condition of funding, the proposed lease extension should not contain any break clauses. The tenant does not want to lose the funding opportunity and has requested that the lease is concluded without break clauses.</p> <p>From an estate management perspective, there is an advantage on the removal of the breaks which is</p>		<p><a href="#">Graeme McGartland</a>, Investments Senior Manager</p> <p>Tel: 0131 529 5956</p>

<p>beneficial to the Council as this means there is a long term commitment, which cannot be broken, from the tenant who will retain the liability for the building during this period. Members of the Committee were advised of the changes to the terms by a briefing note in August 2021.</p>		
<p><b>Liberton Hospital – Update on Proposed Acquisition</b></p> <p>On <a href="#">4 March 2021</a>, Finance and Resources Committee approved the purchase of Liberton Hospital following the completion of due diligence.</p> <p>Since the Committee, the due diligence has been completed and a reduction for potential abnormal costs has been agreed with NHS Lothian and partners. As a result, a minimum price of £14,411,950 has been agreed, with the provision for any abnormal costs which are less than the agreed figures to be repaid through an overage provision.</p> <p>The parties are now working to complete the transaction as soon as possible.</p>		<p><a href="#">Graeme McGartland</a>, Investments Senior Manager</p> <p>Tel: 0131 529 5956</p>

**Forthcoming activities:**

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## Finance and Resources Committee

10.00am, Thursday, 7 October 2021

### Revenue Budget Framework 2021/26 – progress update

Executive/routine Wards Council Commitments	Executive All
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#### 1. Recommendations

- 1.1 Members of the Finance and Resources Committee are recommended:
- 1.1.1 to note that a balanced overall monitoring position continues to be forecast in the current year;
  - 1.1.2 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;
  - 1.1.3 to note that a further update will be provided to the Committee at its next meeting on 9 December 2021;
  - 1.1.4 to note that a savings requirement of £8.2m is 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;
  - 1.1.5 to note the principal findings of the “lessons learned” review of the 2021/22 budget development process; and
  - 1.1.6 to refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

**Stephen S. Moir**  
Executive Director of Corporate Services

Contact: Hugh Dunn, Service Director: Finance and Procurement,  
Finance and Procurement Division, Corporate Services Directorate  
E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150

## Revenue Budget Framework 2021/26 – progress update

### 2. Executive Summary

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- 2.1 The report updates members on the projected Council-wide revenue budget position for the year. While a balanced overall position continues to be projected, there remains considerable uncertainty around the on-going impacts of the pandemic on the Council and its ALEOs and, more immediately, the level of the employee pay award for 2021/22. As a result, the position will continue to be kept under active review and a further update brought to the Committee in December.
- 2.2 The report then reviews a number of existing financial planning assumptions, resulting in an estimated revised savings requirement of £8.2m for 2022/23 and increasing significantly thereafter. This re-emphasises 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 the estimated revenue funding gaps in future years.

### 3. Background

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#### Revenue budget, 2021/22

- 3.1 Members of Council approved a balanced one-year revenue budget monitoring position for 2021/22 on 18 February 2021. In doing so, however, it was noted that there remained the potential for further changes to emerge based on the outcome of both the UK Budget and subsequent stages of the Draft Scottish Budget's Parliamentary consideration. In addition, further clarification was being sought on the availability and associated conditions of use of a number of financial "flexibilities", particularly the service concession-related flexibility.
- 3.2 Given this, a further update on the revenue budget framework was considered by the Finance and Resources Committee on 20 May. Applying carried-forward and in-year COVID-related funding presented an opportunity to increase significantly the level of framework provision for the continuing impacts of the pandemic in both 2021/22 and 2022/23 whilst at the same time fully addressing the incremental residual savings requirement in 2022/23.
- 3.3 The report considered by the Committee also set out an opportunity to invest up to £21m in 2021/22 and 2022/23 to address remaining service pressures, anticipated

savings delivery shortfalls and member priorities. On 27 May, Council approved total investment across these areas in 2021/22 of £21m but with a number of the service investments giving rise to continuing liabilities totalling £3.3m in 2022/23.

### Month three forecast

- 3.4 On 12 August 2021, members of the Committee considered the first in-year Council-wide revenue monitoring report for 2021/22, based on analysis of the first three months' financial data. While a balanced overall position was projected, it was noted that there remained considerable uncertainty around the on-going impacts of the pandemic on the Council and its ALEOs and, more immediately, from the level of the employee pay award for 2021/22.
- 3.5 A detailed half-year monitoring update will be considered at the Committee's next meeting on 9 December. This report therefore provides an interim update, including an overview of progress in taking forward the investment measures approved by Council on 27 May, as well as considering a number of required changes to future years' budget framework planning assumptions.

## 4. Main report

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### COVID-related impacts

- 4.1 Following the decision of Council on 27 May, the revised 2021/22 budget makes provision for £39m of continuing COVID-related impacts as shown in the table below.

Area of expenditure pressure/income loss	£m
Reductions in parking income	8.0
Reductions in commercial rental income	5.0
Lothian Buses - loss of dividend	6.0
Arm's-Length External Organisations (ALEOs) - support for Edinburgh Leisure	6.0
ALEOs – other	1.0
Personal Protective Equipment	1.0
Homelessness	5.0
Other income/expenditure <sup>1</sup>	7.0
<b>Total funding for COVID impacts</b>	<b>39.0</b>

- 4.2 In the case of homelessness services, the £5m shown above is supplemented by a further £5m within the framework baseline. In approving the £21m of additional investment on 27 May 2021, a further £2m was added to this sum, meaning that in

<sup>1</sup> Other income/expenditure represents sums set aside in recognition of various anticipated continuing impacts of increased expenditure, or reductions in income, linked to the pandemic. These provisions include additional staffing costs in waste and cleansing and for the processing of support payments for both individuals and businesses, as well as assumed reductions in income for the Council's outdoor centres, cultural venues and community access to schools

total, the 2021/22 budget reflects an increase of £12m on the budgeted level of provision in 2020/21.

- 4.3 Based, where relevant, on expectations around the timing of service resumption and likely ensuing demand, the total provision of £39m continues to be assessed as sufficient at this time. Parking income, in particular, has recovered strongly, with the total level of income received in August 2021 similar to the equivalent period in 2019. While levels of outstanding debt continue to be tracked on a monthly basis, loss of commercial rental income is similarly expected to be maintained within the approved level of provision. A further update in each of these areas, based on analysis of additional months' data, will be reported to the Committee in December.
- 4.4 Lothian Buses has already advised the Council that it will not be in a position to pay any dividend in the current financial year. While passenger numbers have been steadily increasing, Transport Scotland has now confirmed that transport operator funding to contribute towards the additional net costs of operating safely at a time of reduced demand will continue to be provided to bus operators until the end of March 2022, with a similar arrangement anticipated to be confirmed for Edinburgh Trams shortly.
- 4.5 Based on current demand patterns, it is also expected that the required level of support for Edinburgh Leisure will be contained within the £6m set aside for this purpose.

#### **Directorate projections**

- 4.6 In addition to monitoring the on-going impacts of the pandemic, Executive Directors continue to oversee the delivery of approved savings and management of pressures within their respective areas of responsibility. The approved budget framework for 2021/22 includes £12m of additional baselined investment in recognition of underlying service pressures, as well as applying a higher required level of assurance for savings to be included within it. While these measures provide a degree of contingency against the emergence of significant in-year pressures within services, it remains the role of Executive Directors to manage these fully when they do arise and to maintain expenditure within budgeted levels.
- 4.7 Details of the respective non-COVID projections for the three main Directorates were contained within the report to the Committee's previous meeting on 12 August. While these forecasts are being progressively aligned to the revised organisational structures approved by Council on 27 May, they remain essentially unchanged from that time.

#### **Corporate Services**

- 4.8 As set out in further detail in a report elsewhere on today's agenda, the Executive Director of Corporate Services is projecting a balanced overall position for the services within his area of responsibility. Financial controls applied during 2020/21, including control of recruitment to all non-essential vacant posts and agency worker



use, will continue to be applied during the current year. Controls will also be applied to discretionary expenditure where no legal or contractual commitment exists, to mitigate potential budget pressures.

### **Education and Children's Services**

- 4.9 The Interim Executive Director of Education and Children's Services is projecting residual as-yet unmitigated non-COVID pressures of £2.562m.
- 4.10 Based on an assessment of current external placement numbers and known changes over the remainder of the year, an estimated pressure of £0.7m exists within residential and secure accommodation. The impact of COVID, including the number of staff requiring to self-isolate, also continues to affect internal capacity and the resulting scope for movement of places within the Council's own young people's centres, resulting in a further residual pressure of £0.8m. There is furthermore a risk that the easing of COVID-related travel restrictions results in the presentation of further individuals and places additional pressures on the Council's capacity.
- 4.11 Continuing pressures within temporary accommodation as a result of a shortage of suitable move-on accommodation have been highlighted in a number of previous reports with, at this stage, a residual pressure of £1.2m forecast. There is a risk, however, that this sum may increase further if bed nights continue at current levels for the remainder of the year. The potential recurring aspects of this in-year pressure are discussed in more detail later in this report.
- 4.12 The Interim Executive Director is fully committed to making all efforts to identify mitigations to reduce the residual pressures and to identify and implement management actions required to address these and a further update will be included in the report to the Committee's next meeting on 9 December.

### **Place**

- 4.13 The Executive Director of Place continues to highlight core budget pressures currently without mitigation across the former Place Management and Place Development Divisions totalling some £1.592m, along with a number of other risks where corresponding mitigating actions are being developed. In addition, a small element of the Directorate's approved savings target is currently assessed as "red".
- 4.14 The Executive Director and his Senior Management Team will continue to consider regular updates and develop corresponding actions, such that net expenditure is brought back within approved levels. A more detailed update, based on actual income and expenditure to the end of August, is underway, with the results of this analysis to be included in the half-year report to be considered at the Committee's next meeting.

## Corporate budgets

- 4.15 The report to the Committee's previous meeting highlighted a number of variances at Council-wide or corporate level. While detailed analysis is continuing, in particular, around the in-year loans charge forecast given slippage in 2020/21's programme, the knock-on impacts of this slippage on the delivery of projects originally planned for delivery in 2021/22 and the securing in June and July 2021 of new borrowing at low rates of interest, these remain unchanged at this time and are summarised in the table below.

	£m
<b>Favourable variances</b>	
Loans charges	(6.000)
Other non-service specific costs (including inflationary uplift provisions)	(1.774)
<b>Unfavourable variances</b>	
Senior Management Review/VERA savings – shortfall in delivery	2.005
Council Tax Reduction Scheme – additional demand	1.395
Discretionary rates relief	0.220
<b>Net favourable variance</b>	<b>(4.154)</b>

## Overall position

- 4.16 Taken together, the favourable variances above offset in full the pressures highlighted within the Education and Children's Services and Place Directorates, allowing a balanced position to continue to be forecast at this time.
- 4.17 There remains, however, uncertainty around the on-going impacts of the pandemic on the Council and its ALEOs and, more immediately, the level of the employee pay award for 2021/22 (an update on which is provided in the following section of this report). It is therefore crucial that Executive Directors and the Chief Officer of the Edinburgh Health and Social Care Partnership fully manage pressures, risks and savings delivery shortfalls within their respective core budgets if the greater stability of the framework approved by members on 27 May is not to be compromised.

## 2021/22 Local Government employees national pay negotiations

- 4.18 The baseline level of provision for staff pay awards contained within the approved budget equates to an average of 2% across all staff groups. Application of the revised Scottish Public Sector Pay Policy, to which the initial Local Government offer was intentionally aligned, would give rise to an overall pressure of £1.2m in excess of this level of provision. This sum can, however, be contained within the assumed level of inflation-related corporate savings noted above.
- 4.19 Following negotiations, a small increase to the flat-rate payment (increasing the cost to the Council of the employer's offer by about £0.4m) was reflected in a revised

offer issued to the Scottish Joint Council Trade Union Side Joint Secretaries on 13 August. Having considered the offer, UNISON's Local Government Committee concluded that there had been insufficient movement to warrant further member consultation and thus recommended proceeding with targeted industrial action, the membership ballot for which runs between 1 and 22 September. Consultative ballots of participating GMB and UNITE the Union members also resulted in rejection of the revised offer, with a move to balloting for full industrial action. As of the time of writing, the SNCT Extended Joint Chairs' consideration of the teachers' pay claim is on-going.

- 4.20 It remains the employer's view that the offer strikes an acceptable balance across affordability, employee recognition and maintenance of good industrial relations. In view of the heightened expectations resulting from the revised offer made to Health staff, however, COSLA has pushed for the provision of additional funding to allow an equivalent offer to be made to the Local Government workforce. This request has been declined by the Scottish Government.
- 4.21 The additional cost of backdating the current pay award to 1 December 2020 would be £4m (or £8m if based on the revised Health offer), a one-off £500 "thank you" payment to all remaining staff about £6m and matching the Health offer for 2021/22 (without backdating) about £12m, the last-mentioned also having implications for future years' funding gaps. These sums include, where applicable, sums payable to staff within the Edinburgh Health and Social Care Partnership.

#### **Approved investments in priorities, pressures and savings shortfalls mitigations**

- 4.22 In setting the Council's 2021/22 revenue budget on 18 February 2021, members approved some £14.2m of additional investment aligned to wider Business Plan priorities. Following the receipt of significant additional COVID-related funding after the budget was set, this was supplemented on 27 May 2021 by a further £21m of investment in member priorities and sums to address service pressures and projected in-year savings shortfalls.
- 4.23 A progress assessment against each of the measures concerned is included in Appendix 1, showing that the majority are on track for delivery in 2021/22. Work is continuing with Strategic Change and Delivery Team colleagues in Corporate Services to develop appropriate associated outcome measures and an update on these will be included in the December report. Any in-year underspends against these investments will not automatically be carried forward into 2022/23 and thus also be considered in the context of addressing future years' savings requirements.

#### **Afghan refugees**

- 4.24 At the meeting of Council on 26 August 2021, members unanimously approved a motion welcoming displaced Afghan refugees to the city, including the provision of good-quality immediate temporary accommodation. While encouraging on-going dialogue with the UK Government to ensure that this support is fully funded,

members also agreed to delegate to the Chief Executive, in consultation with the Leader and Deputy Leader, approval of any other such costs not covered by UK funding or existing budgets by means of a contribution of up to £0.5m from the Council's unallocated reserve. Members are reminded that, following the realignment of the Council's reserves as part of the approved 2021/22 budget, the size of the unallocated reserve was increased from £13m to £25m. It is being assumed, however, that should this sum be required in 2021/22, a corresponding replenishment of the unallocated reserve will be undertaken in 2022/23.

### **Edinburgh Integration Joint Board (EIJB)**

- 4.25 In March 2021, the EIJB agreed the 2021/22 financial plan and associated savings and recovery programme. Recognising that the additional measures which would be required to balance the plan would have a significant negative impact on performance gains and, ultimately, on outcomes for people, the board made the difficult decision to support a budget which did not deliver financial balance. At this point, the plan had a deficit of £9.3m and the EIJB Chief Officer and EIJB Chief Finance Officer were supported to continue tripartite efforts with colleagues in the Council and NHS Lothian to bridge this shortfall.
- 4.26 As part of the additional service investment approved by Council on 27 May, members then allocated £2.5m of further support to the EIJB, reducing the financial gap to £6.8m. In addition to this underlying remaining funding gap, an initial assessment has raised concerns around the ability to deliver the assumed level of purchasing-related savings of £11.2m implicit within the delegated budget.
- 4.27 As of the time of writing, tripartite discussions with the partners are continuing to address the residual gap. Discussions are also continuing with the Scottish Government to explore the extent to which the EIJB's earmarked reserves could be applied to support the range of financial pressures and challenges faced. Engagement with the Scottish Government is also continuing on the contents of the Quarter 1 Local Mobilisation Plan, with detailed feedback awaited.

### **Financial flexibilities**

- 4.28 Members of the Committee have received a number of previous updates on the basis on which a number of financial "flexibilities" could be made available to manage the impacts of the pandemic over a longer timeframe. While the budget approved in February 2021 reflected the assumed use of the loans fund principal repayment deferral flexibility, following receipt of significant additional grant funding late in 2020/21, this assumption was then reversed as part of the May realignment.
- 4.29 On 18 August, the Cabinet Secretary for Finance and Economy wrote to the COSLA Spokesperson for Resources offering additional clarity on the availability of the service concession flexibility. The letter confirmed that councils would be permitted to write the balance of service concession payments over the remaining life of the asset. The size of this potential timing-related benefit would, however, be severely reduced by three main factors, namely:

- (i) allowing only the principal (and not the interest) element of the debt to be written off over the remaining asset life;
- (ii) allowing only prospective (and not retrospective) application of the flexibility, removing the potential for the accumulated benefit of the change to be applied by councils in supporting post-COVID recovery; and
- (iii) restricting the application of the flexibility to the value of the principal element of the debt net of Scottish Government Grant (in the case of the largest schools PPP schemes, this reduces the sums concerned, after application of the two restrictions above, by a further 80%).

4.30 While further work is required to quantify the position within the Council's own context, the combination of these factors would be expected to reduce the overall benefits relative to earlier Directors of Finance modelling by around 95%. Although the Council is able to defer its decision on adoption of the flexibility until closure of the 2021/22 accounts, any potential benefits are likely to be much more modest than was previously sought by councils. Discussion with the Scottish Government, however, remains on-going.

#### **Review of budget framework assumptions**

4.31 Following the receipt of significant additional COVID-related funding late in 2020/21 and a reprioritisation of the Council's own reserves, on 27 May members approved an increase in the budget framework's provision for the continuing impacts of the pandemic in 2021/22 and 2022/23 from £29m to £64.3m. In addition, £21m of available funding was approved in 2021/22 to mitigate existing budget pressures, anticipated savings delivery shortfalls and facilitate investment in member priorities. The investment in member priorities gives rise to up to £3.3m of recurring liabilities, resulting in revised cumulative funding gaps as follows:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Restated funding gap, taking account of investment approved by Council on 27 May	3,325	52,424	67,424	94,528	122,098

4.32 A summary of the main financial planning assumptions underpinning these incremental savings requirements is included as Appendix 2. These assumptions are the subject of on-going review, with the principal changes arising from the most recent reviews set out in the following sections.

#### **National Insurance – employer contribution rates**

4.33 On 7 September, the UK Government confirmed changes to National Insurance (NI) contribution rates to fund £12 billion of additional annual investment in the NHS and social care across the UK. Employer's contribution rates will increase by 1.25%

during 2022/23, with a ringfenced Health and Social Care levy of 1.25% then introduced from 2023/24, subject to alignment to devolved funding arrangements.

- 4.34 Given that setting of NI rates is a reserved matter for the UK Government, these changes will also apply in Scotland. Based on the Council's current spend in this area, this change would be expected to give rise to a recurring pressure of some £5.9m and increase in line with the general pay award provision thereafter. While further clarification is required, it is understood, however, that the £12 billion raised by the rate changes may be net of additional liabilities incurred by public sector employers. This would give the potential, subject to decisions made by the Scottish Government, for the bodies affected to be compensated accordingly.

#### **Senior management restructuring and Voluntary Early Release Arrangements (VERA)**

- 4.35 To date, business cases resulting in the delivery of recurring annual savings of £2.014m have been approved. When adjusted for the £0.868m of this total required to contribute towards mitigation of existing service pressures or delivery of previously-approved savings, £1.146m is available for offset against the budget framework savings assumption in 2022/23 of £3.158m, resulting in a net shortfall of £2.012m. While opportunities for senior management restructuring and related efficiencies will continue to be explored where appropriate, it is considered prudent to incorporate this shortfall into the Council's financial planning going forward.

#### **Homelessness – recurring pressures**

- 4.36 As of 31 March 2020, the homelessness service was supporting 3,570 households in temporary accommodation. In response to and as a result of the COVID-19 pandemic, the numbers requiring temporary accommodation increased significantly during 2020/21 to 4,431 by 31 March 2021. Most of this increase was of necessity accommodated in short-term lets and bed and breakfast, the most expensive forms of accommodation. There was, however, also an increase in use of private sector leasing following the agreement of improved rates as part of the newly-approved contract.
- 4.37 This growth resulted in increased net costs of £8.8m in 2020/21, with the full-year effect for 2021/22 estimated to be £14m. Additional funding of £12m has been provided through the 2021/22 budget process to acknowledge the increased costs with an expectation that, as the impact of the pandemic eases, there will be a reduction in costs of £2m as the year progresses (at this stage, a £1.2m residual pressure is being forecast). It is furthermore hoped that any growth in excess of the budgeted level of funding will be mitigated through the roll-out of more explicitly preventative services and income maximisation activity agreed by Council in February.
- 4.38 Should the rate of increase seen between April and July continue for the rest of the year, however, the estimated impact for 2021/22 would be a further increase of £1m, taking the pressure to £2.2m. The full-year impact for 2022/23 would be an

increased cost of £3.3m. The budget planning assumption for 2022/23 is for a reduction of £4m i.e. reducing the overall level of additional funding to £8m. Should the rate of growth continue for the remainder of the year the service would be starting 2022/23 with a forecast pressure of £7.3m in this area.

- 4.39 While recognising the need to keep the position under review and to allow time for the preventative measures to take effect, it is considered prudent at this stage to increase the level of provision in 2022/23 from £8m to £10m, with the existing £5m currently baselined thereafter increased to £7m. These changes have the effect of increasing the cumulative funding gap by £2m in each of the next five years.

#### **Edinburgh Integration Joint Board – additional funding support in 2021/22**

- 4.40 Members will recall that the motion approved by Council on 27 May provided an additional £2.5m of in-year support to the EIJB, being equivalent to the Council's proportionate share of the overall projected shortfall in 2021/22. Recognising the continuing prioritisation of the Partnership's pandemic response and the consequent delay in implementing aspects of its transformation programme, it is considered prudent to extend this support for a further year.

#### **Pay award, 2021/22 – recurring impacts**

- 4.41 As noted earlier in the report, the level of employee pay award for 2021/22 has not yet been agreed. The current employer's offer would give rise to a recurring pressure of £1.6m relative to the current level of provision contained within the budget framework.
- 4.42 It is anticipated that such a level of pressure could be contained in 2022/23 and 2023/24 through redirecting the existing provision for additional Wave 4 school running costs contained within the framework that is not yet required. This saving is however, of its nature, not sustainable over the longer term. Should the final level of settlement be higher than the current employer's offer, this would by extension result in a higher in-year savings requirement and increase the residual funding gap going forward. By means of illustration, each 1% increase would give rise to an additional cost of around £6m.
- 4.43 Members will be kept apprised of developments in this area and a further update on any resulting financial implications will be reported to the Committee's next meeting on 9 December.

#### **Reinstatement of unallocated General Fund reserve**

- 4.44 As noted in Paragraph 4.24, on 26 August 2021, Council agreed to allocate up to £0.5m from the unallocated general reserve to meet any unfunded costs arising from the resettlement of Afghan refugees within the city. Should this sum be required in 2021/22, the updated budget framework assumes reinstatement of the reserve in 2022/23.

## Review of budget framework loans charge provision

- 4.45 The Sustainable Capital Budget Strategy 2022/32 report included elsewhere on today's agenda includes a detailed commentary on the review of the current capital investment programme to ensure alignment between the updated programming of works and the related loans charge provision requirement within the revenue budget framework.
- 4.46 Through a combination of (i) COVID-related and other programme slippage, (ii) the impact of the Loans Fund review reported to the Finance and Resources Committee on 14 February 2020, (iii) borrowing secured at historically low rates and (iv) anticipated reductions in interest rates going forward, opportunities have been identified to fund, in full, the current 2022/32 capital investment programme whilst also consolidating within the framework the savings in loans charges apparent in the current year's revenue monitoring. In addition to the £6m of savings in 2021/22 forecast in this area, in-year programme slippage is anticipated to result in a further £2m of loans charge savings relative to budgetary provision accruing from 2022/23 onwards. An assumed recurring saving of £8m is therefore available to offset the net pressures outlined in the preceding sections, resulting in the updated savings requirements shown in the table below.

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Restated funding gap, taking account of investment approved by Council on 27 May	3,325	52,424	67,424	94,528	122,098
<b>Subsequent changes:</b>					
<b>National Insurance</b> - 1.25% employer contribution rate increase from April 2022	5,900	6,077	6,259	6,447	6,641
<b>VERA/Senior Management review</b> - savings delivery shortfall	2,012	2,012	2,012	2,012	2,012
<b>Homelessness</b> - additional provision for continuing service pressure	2,000	2,000	2,000	2,000	2,000
<b>Integration Joint Board</b> - assumed continuation of additional 2021/22 contribution for further year	2,500	0	0	0	0
<b>Pay award</b> - continuing pressure of current employer offer for 2021/22	1,600	1,600	1,600	1,600	1,600
<b>Wave 4 revenue running costs</b> - timing-related saving	(1,600)	(1,600)	0	0	0
<b>Reinstatement of unallocated general reserve</b> (if utilised in 2021/22)	500	0	0	0	0
<b>Reduction in required loans charge provision</b>	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>Revised estimated funding gap</b>	<b>8,237</b>	<b>54,513</b>	<b>71,295</b>	<b>98,587</b>	<b>126,350</b>

- 4.47 These assumptions will be reviewed upon receipt of the Local Government Finance Settlement. The UK Government has now confirmed that it will present a multi-year



2021 Spending Review and Autumn Budget on 27 October, including planning totals for both revenue and capital expenditure for the period from 2022/23 to 2024/25 inclusive. The Cabinet Secretary for Finance and Economy has now agreed with the Scottish Parliament's Finance and Public Administration Committee that the Scottish Budget will be introduced on 9 December 2021. Although the announcement is expected to cover only one year, this will be accompanied by the publication of the Scottish Government's Medium-Term Financial Strategy which will provide relevant context and frame its strategic approach to fiscal policy. As of the time of writing, a specific publication date for the Local Government Finance Settlement (also covering one year) remains to be confirmed but is anticipated to be shortly after the Budget announcement.

- 4.48 While full funding of the existing capital programme is to be welcomed, it is important to re-emphasise that delivery of the associated plan is dependent upon a balanced medium- to longer-term revenue budget framework. As can be seen from the table above, significant funding shortfalls remain, particularly in respect of the incremental savings requirement in 2023/24 and, as such, this criterion cannot yet be considered to have been met.
- 4.49 Recognising the lead-in time for the scale of change likely to be required, this position re-emphasises the need for early consideration and a corresponding comprehensive and sustainable savings plan, rooted in the Council's priorities as set out in the Business Plan, to be initiated by the autumn to address the projected funding gap in 2022/23 and, in particular, the significant shortfalls in subsequent years.

#### **Other risks**

- 4.50 A number of other risks exist within the budget framework, including but not limited to the following:
- (i) while the level of provision has been increased significantly, the continuing expenditure and cost impacts of the pandemic on the Council and its ALEOs may exceed the level of provision contained within the budget framework, particularly in 2023/24 and 2024/25 when this provision reduces to £11m and £3m respectively;
  - (ii) pressures or savings delivery shortfalls being mitigated on a one-off basis through the provision of additional funding in 2021/22 (excluding homelessness and the EIJB, totalling £2.846m) are not managed on a sustainable basis going forward, giving rise to recurring pressures in future years;
  - (iii) for those investments where assumed recurring provision has been incorporated within the framework, this level of funding may be insufficient, particularly in demand-led areas; and

a wider inability to identify further savings, given that only £0.310m of proposals were brought forward as part of 2021/22 budget discussions.

- 4.51 At the meeting of Council on 23 September 2021, members agreed to the granting of an additional fixed day's leave for all employees on 3 June 2022 to mark Her Majesty the Queen's Platinum Jubilee. While the sums concerned remain to be confirmed, this will give rise to enhanced payments and other costs for employees and services still requiring to operate on this date.

#### **Budget "lessons learned" review**

- 4.52 A "lessons learned" review has been introduced as part of the annual budget process. Interviews were held with elected members, the Corporate Leadership Team and colleagues from Finance and Strategic Change and Delivery. The review was based on the CIPFA Financial Management Code which sets the principles and standards of financial management for local authorities; supports improved financial resilience; and encourages greater organisational responsibility for financial management and sustainability.
- 4.53 General feedback on the Council's 2021/22 budget-setting process was positive, recognising the complexity of tracking and reporting frequently-changing funding announcements and expenditure/income impacts during the pandemic. It was felt that complex information was presented in a clear, concise and timely manner with good cross-party engagement through the Finance and Resources Committee and good wider engagement on budget matters with all political groups.
- 4.54 Feedback recognised a number of positive improvements within the 2021/22 budget-setting process including realignment and reprioritisation of reserves; provision for underlying service pressures and anticipated savings shortfalls; approval of Business Plan priorities; and investment in prevention-related initiatives.
- 4.55 A number of suggestions for further improvements to the budget process were identified with a key priority being the development of a detailed medium-term revenue savings and prioritisation programme aligned to Business Plan priorities. An action plan has been agreed (included as Appendix 3) and implementation will be reported through Committee with progress to date including a review of a number of key budget assumptions within the medium-term revenue budget framework; agreement by the Council of a proportionate additional contribution of £2.5m to the EIJB 2021/22 budget gap; increased provision of £39m in 2021/22 and £25m in 2022/23 for the estimated financial impacts of Covid-19; and development of funding solutions to address budget gaps and support a sustainable capital budget strategy.

## 5. Next Steps

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- 5.1 The cost and income impacts of the coronavirus pandemic will continue to be actively tracked and refined as additional clarity is received on the timing and nature of the easing of current restrictions.
- 5.2 Executive Directors require to bring forward measures to offset in full the savings delivery shortfalls and residual service pressures within their respective areas of responsibility. At this stage, however, shortfalls of £2.6m (Communities and Families) and £1.6m (Place) remain and the development of corresponding sustainable actions is required both to reduce any in-year call on the Council's earmarked reserves and enhance the sustainability of the budget framework.

## 6. Financial impact

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- 6.1 The report notes a range of significant expenditure pressures, both in respect of Council services and impacts on the activities of the Council's ALEOs. While a balanced in-year position is currently being forecast, the financial impacts of the pandemic are expected to continue at least into the medium term and will, alongside management of risks and pressures, thus be subject to on-going review as part of maintaining the integrity of the revised budget framework approved by Council on 27 May.
- 6.2 While the receipt of recent additional funding is to be welcomed, it is important not to lose sight of the more fundamental need to bring forward a comprehensive and sustainable savings plan, rooted in the Council's priorities, to address significant projected funding gaps from 2023/24 onwards.

## 7. Stakeholder/Community Impact

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- 7.1 A detailed report summarising the response to the Council's recent engagement on budget priorities for 2021/22 and beyond, including relevant supporting material from other engagement activity on priorities and life experiences during the COVID-19 pandemic, was considered by the Finance and Resources Committee on 2 February and referred on to Council as part of the 2021/22 budget-setting meeting.

## 8. Background reading/external references

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- 8.1 [Finance Update](#), Edinburgh Integration Joint Board, 17 August 2021
- 8.2 [Revenue Monitoring 2021/22 – Month Three Position](#), Finance and Resources Committee, 12 August 2021
- 8.3 [Revenue Budget Framework 2021/26 Update](#) – referral from the Finance and Resources Committee, The City of Edinburgh Council, 27 May 2021
- 8.4 [Revenue Budget 2020/21 and 2021/26 Budget Framework Update](#), Finance and Resources Committee, 4 March 2021
- 8.5 [Coalition Budget Motion](#), The City of Edinburgh Council, 18 February 2021

## **9. Appendices**

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- 9.1 Appendix 1 – Approved investments and pressure/savings shortfall mitigations – current status
- 9.2 Appendix 2 – Current principal financial planning assumptions, 2022/23 to 2026/27
- 9.2 Appendix 3 – Budget “Lessons Learned” Action Plan

Investment	2021/22 £m	Investment/ Pressure	Current Directorate	RAG Status	Status Narrative	Risk of overspend
Communal Bins	1.100	Investment	Place	R	No contractual commitment to be made until outcome of Zero Waste Scotland funding application is known in October 2021. Revised business case may be required depending on funding outcome.	
Tram Concessions – free under-19 travel	0.500	Investment	Place	R	Scottish Government policy is now for under-22 free travel on buses. If this were applied to trams, the cost would exceed the approved annual level of investment funding by at least £1m, with this sum likely to increase significantly upon opening of the tram extension.	Eligibility criteria will require to be tightly defined to prevent risk of significant overspend.
Edinburgh Bike Scheme	0.800	Investment	Place	R	Following the failure of contract extension negotiations, the current scheme ended on 17 September and alternative options are therefore being investigated.	
Carers' Recovery Fund	0.250	Investment	Health and Social Care	A	Discussions have been initiated between VOCAL (Voice of Carers Across Lothian) and the Edinburgh Health and Social Care Partnership to develop detailed delivery plans.	
Early commitments to support a city-wide 2030 Net Zero Strategy	0.700	Investment	Corporate Services	A	Council Sustainability Team costs fully covered; some delay on commissioning energy consultancy but deliverable. As of time of writing, public campaigns have not yet begun hence amber overall status.	
Food Growing	0.130	Investment	Corporate Services	A	Draft profile of investment has been developed for discussion with Sustainability and Equality Champion.	
Positive Destination and Holiday Programme Officers	0.124	Investment	Education and Children's Services	A	Recruitment process is underway.	
All Ability Bikes	0.071	Investment	Place	A	Grant award to the Thistle Foundation to support the delivery of a service to allow adaptive cycles to be available for disabled people across the city was approved by Transport and Environment Committee at continuation of its meeting originally held on 19 August 2021.	
Smart Cities	0.500	Investment	Place	A	The related commercial terms are currently being finalised and the programme will seek to join the Council's Change Portfolio for in-depth monitoring from September 2021.	
Roads, Carriageways and Pavements	6.000	Investment	Place	A	Delivery programme has been developed and associated phasing is being agreed with Finance colleagues.	
Increased foot and cycleway gritting and cleaning	0.300	Investment	Place	A	Procurement of the additional vehicles is underway. Pavement gritting routes have been designed and are being tested and risk-assessed by staff.	
Electric Vehicle Infrastructure	0.250	Investment	Place	A	Relates to installation of charging points for Council fleet	
20 minute neighbourhood strategy – enabling works	0.500	Investment	Place	A	18-month funding agreed at CLT on 28 July and now into secondments and/or recruitment for resource.	
Accelerating decarbonisation of the Council's estate	1.000	Investment	Place	A	Near completion of feasibility stage for the two pilot projects with a further 11 projects now in tranche 1 of feasibility since funding approved. Investment likely to be fully committed by the end of this financial year, once cost profile of these pilots fully understood. Members' briefing is being scheduled to give an overview of the programme and investment required to reach 2030 targets.	
Energy and Waste actions and Net Zero Strategy	0.200	Investment	Place	A	Implementation planning underway, project management support required given tight timescales.	

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# Approved investments and pressure/savings shortfall mitigations – current status

Investment	2021/22 £m	Investment/ Pressure	Directorate	RAG Status	Status Narrative	Risk of overspend
Council Tax freeze - net loss of income	5.200	Investment	Corporate	G	No further action needed; Council Tax frozen (and 3% "compensation" received) as part of setting Council's 2021/22 budget on 18 February.	
Contribution to reserves	2.743	Investment	Corporate	G	No further action needed; actioned as part of setting 2021/22 budget.	
Edinburgh Integration Joint Board	2.500	Investment	Corporate	G	Transfer actioned; no further action needed.	
Discretionary fees and charges	0.170	Investment	Corporate	G	No further action needed; freezing of school meal, garden aid, library and home care charges approved as part of 2021/22 budget motion.	
Independent Inquiries	0.400	Investment	Corporate	G	In-year spend being tracked and reported to Group Leaders.	Given the demand-led nature of the inquiry, there is an inherent risk of overspend.
Maximising income and meeting crisis needs	1.050	Investment	Corporate Services	G	Implementation on track, with owners established for each element (Income Max, Discover, 1in5 and Advice Services)	
Sustainability	0.300	Investment	Corporate Services	G	Carbon literacy training and COP26 events in train	
Embedding prevention and community engagement	0.600	Investment	Corporate Services	G	Resource profile agreed at CLT 28/07, with outcomes to be fully defined. Recruitment is underway.	
Diversity Training	0.100	Investment	Corporate Services	G	Project plan developed and training delivery partners commissioned.	
Gaelic Development Officer	0.052	Investment	Corporate Services	G	Relates to the extension of an existing fixed-term post and has been progressed.	
Homelessness support and advice	0.400	Investment	Education and Children's Services	G	Spend of additional funds is on track with recruitment nearly complete and training underway.	
Library Books	0.050	Investment	Education and Children's Services	G	Funding for pupil educational and development needs within school libraries (£29k), in addition to spend within wider library estate.	
Nursery deferrals	0.169	Investment	Education and Children's Services	G	Funding for expected increase in number of deferrals for entry to P1, based on 40 additional deferrals.	Based on the actual number of deferrals for session 2021/22, the level of investment is broadly sufficient.
1-to-1 Digital Learning	2.000	Investment	Education and Children's Services	G	Project underway with business case approved at CLT, updates to Policy and Sustainability Committee and Governance, Risk and Best Value in August and September.	

# Approved investments and pressure/savings shortfall mitigations – current status

Investment	2021/22 £m	Investment/ Pressure	Directorate	RAG Status	Status Narrative	Risk of overspend
Homelessness	2.000	Offsetting Pressure	Education and Children's Services	G	£2m allocated based on initial assessment of residual pressure of £3m.	Current projected residual pressure of £1.2m but being contained within balanced overall Council-wide position in 2021/22
Looked after children	1.500	Offsetting Pressure	Education and Children's Services	G	To be applied to address pressures in Out of Council Residential and Secure placements pending implementation of early intervention and preventative measures to reduce demand.	Current projected residual pressure of £0.7m but being contained within balanced overall Council-wide position in 2021/22
Home to school transport	0.600	Offsetting Pressure	Education and Children's Services	G	Travel Demand - reduces approved saving/investment reduction of £0.9m to £0.3m in 2021/22 only.	Current projected residual pressure of £0.3m but being contained within balanced overall Council-wide position in 2021/22
Corporate Parenting	0.110	Investment	Education and Children's Services	G	Additional funding to allow continuation of current arrangements	
Public conveniences	0.450	Offsetting Pressure	Place	G	Additional temporary toilets in premier parks and other key locations	Actual costs slightly exceed approved investment due to extended period of opening - refinement of figures required, will revert to SMT as part of reporting.
Edinburgh's Summer Festivals	0.300	Investment	Place	G	Funds disbursed as agreed.	
Parks & Greenspace one-off	0.500	Investment	Place	G	Million Tree Project, Greenspace for Foamstream, Thriving Greenspaces project.	
Short Term Lets regulation set-up costs	0.250	Investment	Place	G	As expected – on track to be spent.	
Edinburgh Guarantee for All	0.175	Investment	Place	G	As expected – on track to be spent.	
Taxi and Licence Enforcement	0.160	Investment	Place	G	As expected – on track to be spent.	
Place - fees and charges reduced income	0.559	Offsetting Pressure	Place	G	Funding applied against income shortfall as agreed.	
Development and Business Services Operating Model - reduced income	0.187	Savings Shortfall	Place	G	Funding applied against income shortfall as agreed.	
Investment in Parks, Greenspace and Cemetery Infrastructure	0.250	Investment	Place	G	£4m prioritised programme of capital works (the recurring loans charge cost of which is £250k) approved by Culture and Communities Committee on 15 June.	
<b>Total</b>	<b>35.200</b>					

## Current principal financial planning assumptions, 2022/23 to 2026/27

	2022/23	2023/24	2024/25	2025/26	2026/27	Notes
Pay award	2%	3%	3%	3%	3%	Each 1% increase equates to £6m at 2021/22 prices
Contract and other inflation	2%	2%	2%	2%	2%	Each 1% increase equates to £3m at 2021/22 prices
Total provision for recurring expenditure and income impacts of pandemic (£m)	25.3	11.0	3.0	3.0	3.0	Actual expenditure/income in 2020/21 was £69m and budget framework provision in 2021/22 is £39m
Demographic provision (Education and Children's Services and Place) (£m)	4.0	4.0	4.0	4.0	4.0	Allocation primarily covers increasing pupil numbers and growing household numbers; level of provision to be reviewed in line with updated pupil roll projections when available
Government grant and retained Non-Domestic Rates income - assumed year-on-year change in like-for-like funding	-0.7%	0%	0%	0%	0%	Each 1% equates to £7.7m at 2021/22 funding levels
Council Tax - increase in rate (or receipt of "freeze" compensating funding)	3%	3%	3%	3%	3%	Each 1% equates to £3.1m at 2021/22 funding levels



CIPFA FM Code Section	Development Actions 2022/23
Governance and financial management style	Deliver development sessions for Elected Members, Senior Managers, Finance and Strategy staff on the CIPFA Financial Management Code. Elected Member development to be prioritised following the Elections in May 2022.
Page 65	Continue to support case for “fair funding”, multi-year funding settlements and increased flexibility through COSLA and professional bodies.
	Develop a detailed medium-term revenue budget savings and prioritisation programme aligned to Business Plan priorities. Realistic service savings and investment proposals aligned to anticipated resources to be available in May / June 2022. Implement a new approach to medium-term service planning: research best practice in medium-term business / service planning; leadership team to agree strategy for prioritisation of services / allocation of the estimated savings requirement to inform service plan development; Finance and Strategy teams to support the development of data / evidence to facilitate assessment of value for money; Leadership team to provide peer review and constructive challenge.
	Develop affordability of the Capital Investment Programme for the period of the next Administration including development of a realistic phasing of approved investments and assessment of the implications of the move to equal instalments of principal.
	Develop enhanced leadership team scrutiny of the EIJB annual budget, strategic plan and medium-term financial plan.
	Review key assumptions within the medium-term revenue budget framework including SG settlement, Council Tax uplift and EIJB savings. (Revised assumptions agreed by Council 27 May 2021 – 3% Council Tax for 2022/23; “Flat Cash” SG funding from 2023/24; removed 2% EIJB savings target in 2022/23).
	Develop a clear, simple illustration / explanation of the estimated medium-term funding gaps to support broader engagement and understanding.
	Review demographic provision in the medium term budget framework to ensure that assumptions remain appropriate.
	Review planning assumptions to ensure that the revenue budget financial implications of the Capital Investment Programme are fully reflected in the medium-term revenue budget framework.
	Issue an indicative 3-year resource allocation to the EIJB to support development of EIJB strategic planning.
	Review EHSCP demographic assumptions to develop more refined projections

# Budget “Lessons Learned” - Action Plan 2022/23 – continued

CIPFA FM Code Section	Development Actions 2022/23
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 66</p> <p>The annual budget process</p>	<p>Consider a proportionate additional contribution to the EIJB 2021/22 budget gap of £9.3m (£2.5m contribution agreed by Council on 27<sup>th</sup> May 2021).</p>
	<p>Accelerate publication of fees and charges proposals including estimated financial impacts of proposed uplifts. Proposed uplifts 2022/23 to be shared by Dec. 2021.</p>
	<p>Embed enhanced CLT scrutiny of underlying budget pressures and savings proposals within the annual budget process.</p>
	<p>Further develop CLT and Elected Member engagement on the HRA budget strategy and capital programme.</p>
	<p>Embed regular engagement between Executive Directors / Service Directors and Conveners / Vice Conveners on key budget issues, including agreement of any actions to address budget pressures and risks.</p>
	<p>Refresh guidance for managers on arrangements for consideration of Spend to Save proposals.</p>
	<p>Develop a budget timetable with key milestones and indicative dates.</p>
	<p>Develop an additional step in the budget process to document detailed implementation plans for more complex change proposals.</p>
	<p>Develop more regular business plan and budget engagement with the Council's Wider Leadership Team.</p>
	<p>Embed “open book” budget discussions between Executive Directors / Service Directors and Opposition Groups.</p>
	<p>Update 21/22 budget and medium-term plan when COVID impacts / funding become clearer. (Provision increased to £39m in 2021/22 and £25m in 2022/23 at Council on 27 May 2021. Position subject to ongoing review.)</p>
<p>Stakeholder engagement and business cases</p>	<p>Develop a refreshed budget engagement strategy for detailed medium-term business plan.</p>
	<p>Develop detailed plans for approved investments including contribution to outcomes and exit strategies for non-recurring investment. A detailed update will be reported to the Finance and Resources Committee on 7 October.</p>
	<p>Strengthen business case and option appraisal approach / governance with business cases to follow a proportionate framework aligned to the HM Treasury standard five case model including appropriate provision for optimism bias.</p>
<p>Monitoring financial performance</p>	<p>Further develop Directorate budget monitoring information to strengthen consistency / best practice. Reporting should track development and implementation of timely action by accountable service managers to correct / mitigate emerging pressures and risks.</p>

## Finance and Resources Committee

10.00am, Thursday, 7 October 2021

### Sustainable Capital Budget Strategy 2022-2032

Executive/routine Wards Council Commitments	Executive All
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#### 1. Recommendations

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

**Stephen S. Moir**  
Executive Director of Corporate Services

Contact: Liam MacDonald, Senior Accountant,  
Finance and Procurement, Corporate Services Directorate  
E-mail: [Liam.MacDonald@edinburgh.gov.uk](mailto:Liam.MacDonald@edinburgh.gov.uk) | Tel: 0131 469 3174

## Sustainable Capital Budget Strategy 2022-2032

### 2. Executive Summary

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- 2.1 The Sustainable Capital Budget Strategy sets out priorities for £1,725.732m of council capital investment, in alignment with the Council Business Plan, over the medium to long-term.
- 2.2 As the overall funding position of the Sustainable Capital Budget Strategy in Appendix 3 shows, the programme is now funded over the 10-year period. However, if a funding gap in the strategy emerges through failure to deliver revenue savings or project cost pressures increase, then further re-profiling of priorities, reduction in scope of projects or additional revenue savings to fund the borrowing costs to deliver the Capital Budget Strategy will be required ahead of future budget setting to comply with the terms of the Prudential Code. This could potentially mean that later phases of the Wave 4 Schools programme could not be delivered within the ten-year programme.
- 2.3 The Strategy is expected to come under significant financial pressure as a result of higher tender prices caused by external factors including COVID-19 and Brexit. The extent of the impact of these is likely to differ between programmes and projects and it is still too early to understand the full cost to the Council. This is notable in the scarcity and cost pressures in various key construction materials, i.e. steel and timber, which is leading to slippage on delivery of projects.
- 2.4 The strategy assumes that some priorities, such as the City Centre Transformation and wider transport initiatives, will need to be funded primarily from external funding unless significant realignment of existing budgets is undertaken. The wider financial implications of City Plan 2030 infrastructure requirements are also likely to have a further impact on the 2022-32 Capital Budget Strategy which has yet to be fully understood and reflected in the assumptions of this report.

### 3. Background

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- 3.1 The Sustainable Capital Budget Strategy 2021-2031 was reported to Finance and Resources Committee on 2 February 2021. This report detailed priorities for council capital investment of £1,492.494m, in alignment with the new Council Business Plan, over the medium to long-term and set out a plan on how they could be

funded. However, there was a funding gap of £171.779m which needed to be addressed in subsequent updates. The report also emphasised the Council's commitment to end poverty in Edinburgh and become a Carbon Neutral city by 2030. While the plan was affordable in the years in the short-term, thereafter a funding gap developed from 2024/25 onwards, which future budgets needed to address.

- 3.2 The Council needs to ensure that it creates a sustainable capital budget strategy, from an environmental, financial and service delivery perspective. COVID-19 and the true costs of creating Carbon Neutral infrastructure will have an impact on what the Council can afford, and it needs to ensure that the projects taken forward are the right choices with more limited resources. It also needs to consider a total place approach where new buildings are not built in isolation but consider the full range of services offered, their role and accessibility within the local community.
- 3.3 This report eliminates the previously reported funding gap, highlighting capital investment priorities for the next 10 years and the corresponding proposed funding solutions. This report should be read in parallel with the revenue budget report elsewhere on this agenda as the revenue impact of additional capital expenditure needs to be contained within a balanced medium-term revenue budget.
- 3.4 The three-year Business Plan: *Our Future Council; Our Future City* brings together our strategic priorities into a single plan responding to these needs for change and should also be read alongside this strategy and the wider capital and revenue budgets.
- 3.5 This report only covers the general fund capital investment programme. The capital expenditure requirements for the Housing Revenue Account will be included in an update on the Housing Revenue Account business plan to Housing, Homelessness and Fair Work Committee on 4 November and thereafter to Finance and Resources Committee as part of the budget setting process in February 2022.

## 4. Main report

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### **Latest 2021/22 Capital Monitoring Position including current market conditions update**

- 4.1 The Capital Budget Strategy is expected to come under further financial pressure as a result of higher tender prices caused by current market conditions. The extent of the impact is likely to differ between programmes and projects and it is still too early to understand the full cost the pandemic has had on the Council's capital programme. This is notable in the scarcity and cost pressures in various key construction materials, e.g. steel and timber, which is leading to slippage and cost pressures on delivery of projects.
- 4.2 The latest Capital Monitoring position at period three for the 2021/22 financial year was reported to Finance and Resources Committee on 12 August 2021. A further

update on the 2021/22 in-year Capital Monitoring position will be reported to Finance and Resources Committee on 9 December 2021.

### **Proposed Capital Expenditure**

- 4.3 The Sustainable Capital Budget Strategy 2022-32 sets out priorities for £1,725.732m of council capital investment, in alignment with the Council Business Plan, over the medium to long-term. The level of capital expenditure required has increased from the amount previously reported, as it takes account of confirmed grant funding for specific projects, and revised expenditure forecasts. It also rolls forward the programme for an additional year. The proposed capital expenditure is set out in Appendix 1 by project area and split by relevant financial year.
- 4.4 There is a significant opportunity for the learning estate buildings across the city to become anchor facilities for wider joined up service delivery in local communities aligned to the principles of the 20-minute neighbourhood concept. For all new learning estate projects currently in development, options for wider service delivery from the facility are being considered during the design phase with flexible working space included as budgets allow. This process is most advanced at the replacement Currie High School and Liberton High School projects and the new Maybury Primary School project where the Passivhaus certified standard will also be adopted.
- 4.5 This process will continue as the remainder of the planned projects included in the Sustainable Capital Budget Strategy are progressed. The projects are: Trinity Academy Phase 2; Wester Hailes High School Phase 2; LDP primary and secondary schools. It is essential to ensure the strategic briefs for these projects outline the teaching, learning and wider community requirements from the outset to ensure the buildings constructed are fit for purpose.
- 4.6 There is also an opportunity for existing learning estate facilities to be adapted in order that wider services can be delivered from these locations. In order to ensure this is successful detailed suitability assessment of the physical changes required to the learning estate should be progressed. A new Edinburgh's Learning Estate Strategy 2021 'Investing in New Buildings: Guiding Principles' will be reported to Education, Children and Families Committee on 12 October 2021.
- 4.7 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. To work towards the target of being carbon neutral by 2030 there is council capital funding of £72.061m to deliver Public Transport, Road Safety and Active Travel infrastructure which will be augmented by external funding.

- 4.8 The Capital Budget Strategy also includes £126.693m for completion of the tram line to Newhaven, which will increase public transport capacity and help to reduce transport emissions. Although there is expected to be some minor reprofiling between financial years, the project is anticipated to be delivered within its original budget of £207.3m. A more detailed update report on the project will be considered by Transport and Environment Committee on 11 November 2021.
- 4.9 In order to continue to deliver high-quality services, the Council needs to continue to invest in the condition and suitability of its assets. The Sustainable Capital Budget Strategy 2022-32, as set out in Appendix 1, includes £224.263m for the existing operational estate to continue the positive impact of the Asset Management Works Programme as most recently reported to Finance and Resources Committee on 12 August 2021. There is also a further £203.954m allocated towards carriageways and footways as well as continuing investment in specific assets such as the completion of the North Bridge Refurbishment.
- 4.10 While additional social housing provision is financed by the Housing Revenue Account, the general fund capital programme provides £209.707m for lending to Edinburgh Living LLPs which is included within this Strategy. These projects are self-financing as a result of income from affordable rents. Further information on the risks of this on-lending are included in paragraph 4.31.

#### **Proposed Capital Expenditure Savings**

- 4.11 There are no new capital expenditure savings proposed at this stage, however, if a funding gap in the strategy emerges through failure to deliver previous savings or project cost pressures then further re-profiling of priorities, reduction in scope of projects or additional revenue savings to fund the borrowing costs to deliver the Capital Budget Strategy will be required ahead of future budget setting to comply with the terms of the Prudential Code.
- 4.12 In the previous update on the Sustainable Capital Budget Strategy in February 2021, it was proposed that a business plan would be developed and through receipts and savings a total of £63.160m was removed from the strategy as a result of the proposed review of the learning estate programme. The ongoing pandemic, delays to capital projects that are already being constructed, the continuing market cost increases and material shortages being experienced in the construction sector have made it impossible to progress a detailed capital programme savings exercise for the learning estate. However, it remains essential to assess opportunities for reducing the overall level of investment over time and utilise existing capacity in the best possible manner.
- 4.13 A Learning Estate Investment Implementation Unit has been created at officer level to co-ordinate these opportunities. Further updates will be provided to Committee on this as part of the wider budget setting process.
- 4.14 Year-on-year there is also slippage in the capital programme and a slippage assumption has been applied over the latest cashflows into the Strategy which has reduced the funding pressure by £7.737m in the 10-year programme.

## **Proposed Capital Funding**

- 4.15 The Sustainable Capital Budget Strategy 2022-2032 funding has been thoroughly reviewed line by line following the setting of the previous strategy in February 2021. This was undertaken to consider any opportunities to address the previously reported funding gap.
- 4.16 The Long-Term Financial Plan and Resource Allocation for revenue has also been reviewed to ensure alignment with the revised Capital Budget Strategy timescales and expenditure. This was undertaken to understand the availability of revenue loan charges budget to support Loans Fund Advances resulting from capital investment. The review also considered the required revenue expenditure on the running costs of these assets. This review concluded that the Capital Budget Strategy was affordable as it stands in Appendix 1.
- 4.17 The review resulted in an additional £125.908m being made available for Loans Fund Advances within the Capital Budget Strategy to balance the funding position. The key drivers in being able to deliver this additional funding are the Loans Fund Review reported to Finance and Resources Committee on 14 February 2020 and an update included in the Treasury Management – Annual Report which was reported to Finance and Resources Committee on 12 August 2021.
- 4.18 The Loans Fund Review re-profiled the pre-March 2019 advances and impact of slippage in the capital programme in such a way that material reductions in budget provision could be made. Appendix 6 of the Treasury Management – Annual Report showed that £100m of General Fund borrowing had been undertaken in the 2021/22 financial year so far at interest rates below the budgetary assumptions.
- 4.19 With interest rates at historic lows, this was done to strike a balance between the cost of carry of new borrowing and the wish to lock out the low rates for the required borrowing to fund the Capital Budget Strategy. Reviews were also undertaken of interest rate projections in the medium term and on assumed asset life taking account of maintenance provisions. The combined effect of these measures extrapolated into future years showed that there was sufficient availability of revenue loan charges budget in the revenue budget framework to support the Loans Fund Advances required to deliver a balanced Sustainable Capital Budget Strategy.
- 4.20 In addition to the above borrowing, there is an assumption that 10% of the annual revenue Council Tax buoyancy increase can be used to support borrowing costs but this assumption is dependent upon continued growth in the Edinburgh housing sector increasing the Council Tax base. On review, it was determined that a further £0.400m per year could be hypothecated from the Council Tax buoyancy in revenue to support capital investment linked to Local Development Plan growth. This resulted in an additional £5.700m per year being provided in the Capital Budget Strategy funding assumptions.
- 4.21 The provisional Local Government Finance Settlement is expected to be announced in December 2021. Within Appendix 1, it is assumed:



- General Capital Grant is expected to increase at slightly lower than previously expected levels with; £39.240m in 2022/23, £39.080m in 2023/24, £41.287m in 2024/25 and £41.849m in 2025/26 based on the Scottish Government Capital Spending Review. The years from 2026/27 onwards are based on a slightly more optimistic trend, however, this may have to be revisited in future;
- Cycling, Walking and Safer Routes (CWSR) is expected to continue at the current funding level of £2.299m until 2025/26 per the Scottish Government Capital Spending Review;
- Transfer of Management of Development Funding (TMDF) is expected to continue at the funding level of £27.950m until 2025/26 per the Scottish Government Capital Spending Review. However, based on previous experience this will be supplemented by Additional Homes funding, which will result in matching income and expenditure being recognised over and above this level; and
- Place Based Investment Programme (PBIP) funding is expected to continue, with £1.735m expected in 2022/23 and £1.209m expected in 2023/24 to 2025/26.

4.22 There have been no further changes to Developer Contributions assumed within the strategy, but this funding stream will be kept under review as the Wave 4 schools, Local Development Plan and subsequently City Plan infrastructure progress.

4.23 The Capital Budget Strategy assumes Capital Receipts from Asset Sales of £3m per year which will be closely monitored. There is a risk that if capital receipts are not received, or not received in the same financial year as the expenditure is incurred, additional funding pressures will occur which would increase the revenue pressures with higher than anticipated revenue loan charges.

4.24 Within the Council's reserves, there is the Capital Fund which has £27m set aside to be drawn down to support capital investment. In addition to this, £2m had been ring-fenced within the Capital Fund from a previous capital receipt to assist with the delivery of a new, 60 bed Integrated Care Facility (ICF). Elsewhere on the Committee agenda, there is a further report outlining the proposed re-prioritisation of this funding to support a mobile workforce solution (Total mobile) for improving capacity for reablement and home-based care services and enabling delivery of the bed base care strategy.

4.25 There is also a further £47.949m in the Capital Grants Unapplied Account to be drawn down against the relevant expenditure, including £43.827m for completion of the Early Years infrastructure. This is held in Reserve outwith the capital expenditure and funding in Appendix 1 and will be drawn down as income to offset expenditure when it is incurred.

4.26 The funding changes are summarised in Appendix 2, along with summarised details of the other expenditure movements from the 2021-31 Capital Budget Strategy approved in February 2021.

## **Funding Pressure and Risks**

- 4.27 There is still a potential risk of expenditure exceeding budget on projects and these will be reviewed as part of the quarterly monitoring and included in the Council's 2022 budget planning process, as appropriate.
- 4.28 If the Council is unable to make the revenue savings required to support the loan charges assumed, then capital expenditure will need to be reduced, potentially meaning that later phases of the Wave 4 Schools programme could not be delivered within the ten-year programme.
- 4.29 Scottish Government funding will be available through the outcomes-based funding (OBF) model for Wave 4 schools included in the Learning Estate Investment Programme Phases 1 and 2. The funding will be released on evidence of the achievement of four agreed key outcomes. These are maintaining asset condition A and/or B for 25 years, achieving Energy Efficiency targets, being Digitally enabled learning hubs and delivering Economic Growth through meeting a target number of jobs per the Construction Industry Training Board (CITB). There is a risk that if the Council assets fail to meet the requirement criteria, that funding would be reduced, resulting in a revenue funding pressure for the Council.
- 4.30 The Scottish Government has also indicated that it wishes Local Authorities to change from the annuity method for Loans Fund Advances and align more closely with accounting standards by using a depreciation method for debt charges over the asset life. This change towards an equal instalment of principal approach would result in increasing the annual costs of borrowing once repayment of principal and interest are considered, especially in the earlier years after the asset becomes operational. The financial impact of any change in accounting treatment will be kept under review.
- 4.31 At present the City of Edinburgh Council only has consent to borrow from the Scottish Government for Edinburgh Living LLP up to 2023-24 for a total of £248.000m. At present, both the Housing Revenue Account (HRA) Business Plan and General Fund on-lending assume continuation of the consent beyond this point, in the form of capital receipts in the HRA and borrowing in the General Fund. Work is underway to understand future viable models for mid-market and market rent; taking into account development costs, availability of grant funding and consents.
- 4.32 The wider financial implications of City Plan 2030 may also have a further impact on the 2022-32 Capital Budget Strategy which have yet to be fully understood and reflected in the assumptions.

## **Unfunded Capital Priorities and Pressures**

- 4.33 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 will be reported at a later date to Committee.
- 4.34 The EnerPHit Team are actively looking into other funding streams including any Scottish Government funding which could be used for the Council's future EnerPHit

informed investments. They have recently submitted a bid for funding for CEC's EnerPHit informed works under the Scottish Government's 'Green Growth Accelerator' funding programme. This is a new national programme that unlocks £200 million of additional investment in infrastructure projects to support Scotland's transition to an inclusive net-zero emissions economy. No specific funding for such a programme is included within the ten-year programme presented in Appendix 1.

## **5. Next Steps**

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- 5.1 This report will be referred to Governance, Risk and Best Value Committee to consider as part of its programme of work.
- 5.2 Finance staff will continue work with project and programme managers to monitor capital budgets.
- 5.3 Further capital budget reports will be presented to Finance and Resource Committee on 9 December 2021 and 3 February 2022 ahead of budget setting.
- 5.4 The capital budget strategy will be developed further, and detailed budget proposals will be submitted to this committee prior to the Council setting its budget in February 2022.

## **6. Financial impact**

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- 6.1 This report sets out capital expenditure and funding of £1,725.732m based on the assumptions set out above, including the generation of savings and additional income in revenue budgets. These assumptions will be kept under review, and capital expenditure plans remain contingent on the strategy continuing to be affordable.
- 6.2 Investment in additional assets is likely to result in increased running costs borne by the Council's service areas. A report on the associated cost implications of changes in the size and profile of the Council's operational property estate was considered by the Finance and Resources Committee on 23 May 2019. The report noted the need to provide for the additional revenue costs of several demand- and condition-led school replacements and new-builds. Based on the cost projections intimated in that report and sums provided within the budget framework in respect of known rising school rolls projects, the Wave Four schools programme (as set out in the original 2018 business case) and additional, or expanded, facilities linked to the Local Development Plan, this level of provision was anticipated to be sufficient to meet, in full, these additional costs at that time.
- 6.3 There is, however, a continuing need to assess, based on best-available expenditure and income projections for the projects concerned, the adequacy of sums provided within the budget framework in respect of known and emerging potential commitments. As a result, all projects will be required to produce a detailed business case, setting out both capital and revenue costs and

demonstrating how they will be funded prior to project commencement as part of the wider Gateway process requirement.

## **7. Stakeholder/Community Impact**

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- 7.1 Consultation on the capital budget will be undertaken as part of the Council's wider budget setting process.
- 7.2 The stakeholder and community impact of individual projects within the Council's capital programme is considered as part of the business cases for those projects.

## **8. Background reading/external references**

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- 8.1 [Edinburgh Tram – York Place to Newhaven Final Business Case](#), The City of Edinburgh Council, 14 March 2019
- 8.2 [Loans Fund Review](#), Finance and Resources Committee, 14 February 2020
- 8.3 [Sustainable Capital Budget Strategy 2021-2031](#), Finance and Resources Committee, 2 February 2021
- 8.4 [Sustainable Capital Strategy 2021-31 – Annual Report](#), Finance and Resources Committee, 4 March 2021
- 8.5 [Updated Housing Revenue Account \(HRA\) Capital Programme](#), Housing, Homelessness and Fair Work, 3 June 2021
- 8.6 [Treasury Management: Annual Report 2020/21](#), Finance and Resources Committee, 12 August 2021
- 8.7 [Asset Management Works Programme – 2020/2021 Update](#), Finance and Resources Committee, 12 August 2021
- 8.8 [2021-31 Sustainable Capital Budget Strategy – Outturn 2020/21 and Revised Budget 2021/22](#), Finance and Resources Committee, 12 August 2021

## **9. Appendices**

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- 9.1 Appendix 1 – Sustainable Capital Budget Strategy 2022-32 - Summary
- 9.2 Appendix 2 – Changes from Capital Budget Strategy 2021-2031
- 9.3 Appendix 3 – Capital Budget Strategy 2022-32 – Funding Position

A Sustainable Capital Budget Strategy 2022-2032  
Capital Investment Programme Summary

Expenditure		Revised	Indicative	Re-profile	Revised	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative
		Budget	Budget	to/from Later	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
		2021/22	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Direcorate</b>	<b>Project Area</b>	<b>Total</b>												
Communities and Families	Early Years	0.000	-	3.593	0.000	-	-	-	-	-	-	-	-	-
Communities and Families	Primary Schools	28.212	9.305	-	6.220	5.504	7.183	-	-	-	-	-	-	-
Communities and Families	Wave 3 Schools	14.587	13.301	-	1.286	-	-	-	-	-	-	-	-	-
Communities and Families	Wave 4 Schools	317.755	21.868	38.358	3.692	42.050	56.505	68.218	36.320	10.489	43.932	25.888	12.485	-
Communities and Families	Libraries	0.777	0.777	-	-	-	-	-	-	-	-	-	-	-
Communities and Families	Sports Facilities	6.405	4.755	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165
Communities and Families	Safer and Stronger Communities CCTV	1.114	0.100	-	1.014	-	-	-	-	-	-	-	-	-
Communities and Families	Properties for House Share	0.891	0.891	-	-	-	-	-	-	-	-	-	-	-
Communities and Families	Other Communities and Families	8.333	8.333	-	-	-	-	-	-	-	-	-	-	-
Communities and Families	Infrastructure for Population Growth	164.367	19.193	15.510	6.662	22.172	15.725	20.668	12.291	13.911	28.500	11.036	9.956	10.915
Place	Depot Review	7.574	0.675	-	6.899	6.899	-	-	-	-	-	-	-	-
Place	Parks, Greenspace and Cemeteries and Other Environment	7.464	1.971	0.400	3.293	3.693	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Place	Fleet Replacement	11.042	2.427	-	8.615	8.615	-	-	-	-	-	-	-	-
Place	Home Owners Adaptation Grants and Other Housing and Regeneration	9.802	0.198	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Place	Town Centre Fund / Place Based Investment Programme	9.792	4.430	1.735	1.735	1.209	1.209	1.209	-	-	-	-	-	-
Place	Transfer of Management of Development Funding (TMDF)	164.218	52.418	27.950	27.950	27.950	27.950	27.950	-	-	-	-	-	-
Place	Roads and Transport Infrastructure (including North Bridge)	203.954	29.195	24.191	0.426	24.617	39.830	12.039	14.039	14.039	14.039	14.039	14.039	14.039
Place	Energy Efficiency Street Lighting Project and Traffic Signals Prudential	9.786	5.600	-	4.186	4.186	-	-	-	-	-	-	-	-
Place	Public Transport, Road Safety and Active Travel	42.736	10.532	8.654	6.636	2.018	3.783	7.343	8.320	2.472	1.654	1.654	1.654	1.654
Place	Cycling Walking and Safer Routes (CWSR)	11.495	2.299	2.299	2.299	2.299	2.299	2.299	-	-	-	-	-	-
Place	10% Cycling Commitment	17.830	-	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783
Place	St James GAM/Picardy Place	62.900	62.900	-	-	-	-	-	-	-	-	-	-	-
Place	Tram Life Cycle Replacement	11.565	5.043	1.000	3.532	4.532	0.535	0.708	0.287	0.069	0.071	0.073	0.076	0.079
Place	IMPACT	5.000	-	-	-	-	5.000	-	-	-	-	-	-	-
Place	King's Theatre (E4m Capital Contribution)	4.000	-	-	-	4.000	-	-	-	-	-	-	-	-
Place	King's Theatre (E5m Prudential Borrowing)	5.000	-	-	-	5.000	-	-	-	-	-	-	-	-
Place	Leith Theatre	0.500	0.500	-	-	-	-	-	-	-	-	-	-	-
Place	Other Culture	0.263	0.263	-	-	-	-	-	-	-	-	-	-	-
Place	Other Contributions	3.847	3.847	-	-	-	-	-	-	-	-	-	-	-
Place - Lending	Lending - Edinburgh Living LLPs	209.707	18.029	4.856	2.529	7.385	72.000	70.500	41.793	-	-	-	-	-
Place - Trams	Tram to Newhaven	126.693	72.100	41.744	-	41.744	12.849	-	-	-	-	-	-	-
Resources	ICT	10.528	3.841	0.807	0.807	1.091	1.597	0.669	0.678	0.615	0.615	0.615	-	-
Resources	Asset Management Works	224.263	20.413	25.650	25.650	19.800	19.800	19.800	19.800	19.800	19.800	19.800	19.800	19.800
Resources	Other Projects	0.300	0.300	-	-	-	-	-	-	-	-	-	-	-
Resources	Other Prudential Projects	1.075	1.075	-	-	-	-	-	-	-	-	-	-	-
UB	Health and Social Care Projects	0.295	0.295	-	-	-	-	-	-	-	-	-	-	-
Unallocated		30.000	-	-	-	-	-	5.000	5.000	5.000	5.000	5.000	5.000	-
Slippage Assumption	Slipped from Previous Year 50% in Year 1	70.584	-	-	-	9.985	14.061	13.585	10.039	4.661	6.573	4.624	3.899	3.158
Slippage Assumption	Slipped from Previous Year 50% in Year 2	67.427	-	-	-	-	9.985	14.061	13.585	10.039	4.661	6.573	4.624	3.899
Slippage Assumption	In-Year	145.748	-	19.969	-	19.969	28.121	27.171	20.077	9.323	13.146	9.249	7.797	6.316
<b>Total Expenditure</b>		<b>1,725.732</b>	<b>375.878</b>	<b>179.725</b>	<b>38.125</b>	<b>217.850</b>	<b>253.091</b>	<b>244.536</b>	<b>180.694</b>	<b>83.907</b>	<b>118.313</b>	<b>83.238</b>	<b>70.173</b>	<b>56.842</b>
														<b>41.210</b>

Funding Opportunities		Revised	Indicative	Re-profile	Revised	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative
		Budget	Budget	to/from Later	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
		2021/22	2022/23	Years	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2031/32
Category	Funding Stream	Total	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Existing Programme - Funding	Asset Sales (Unringfenced)	33,000	3,000	3,000		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Existing Programme - Funding	Capital Funded from Current Revenue (CFCR)	4,000	4,000	-	-	-	-	-	-	-	-	-	-	-	-
Existing Programme - Funding	Capital Grants Unapplied Account	-	-	3,422	-	-	-	-	-	-	-	-	-	-	-
Existing Programme - Funding	General Capital Grant	483,316	38,360	39,240	39,240	39,080	41,287	41,849	46,000	46,500	47,000	47,500	48,000	48,500	
Existing Programme - Funding	Specific Capital Grant - Place Based Investment Programme	7,360	1,998	1,735	1,735	1,209	1,209	1,209	-	-	-	-	-	-	
Existing Programme - Funding	Specific Capital Grant - Early Years	-	-	-	-	-	-	-	-	-	-	-	-	-	
Existing Programme - Funding	Specific Grants - TMDF	164,218	52,418	27,950	27,950	27,950	27,950	27,950	-	-	-	-	-	-	
Existing Programme - Funding	Specific Grants - CWSR	11,495	2,299	2,299	2,299	2,299	2,299	2,299	-	-	-	-	-	-	
External Funding	Specific Grants - GME	-	-	-	-	-	-	-	-	-	-	-	-	-	
Existing Programme - Funding	Developers Contributions	12,283	12,283	-	-	-	-	-	-	-	-	-	-	-	
Existing Programme - Funding	Loans Fund Advances - Prudential	108,796	77,409	0,807	19,700	20,507	6,091	1,597	0,669	0,678	0,615	0,615	-	-	
Existing Programme - Funding	Loans Fund Advances - On-Lending	209,707	18,029	4,856	2,529	7,385	72,000	70,500	41,793	-	-	-	-	-	
Existing Programme - Funding	Loans Fund Advances - Trams to Newhaven	126,693	72,100	41,744	-	41,744	12,849	-	-	-	-	-	-	-	
Existing Programme - Funding	Loans Fund Advances - General	89,137	59,893	13,036	19,318	32,354	11,481	2,360	17,004	14,059	0,679	7,557	9,040	1,556	
Existing Programme - Funding	Loans Fund Advances - City Deal	20,908	0,247	0,359	0,359	2,129	10,689	6,666	0,818	-	-	-	-	-	
Borrowing supported by	Loans Fund Advances - Prudential Schools	48,700	-	-	-	-	18,700	30,000	-	-	-	-	-	-	
Borrowing supported by	Revenue Budget Framework - Wave 4 Funding	78,000	22,500	25,500	25,500	30,000	-	-	-	-	-	-	-	-	
Borrowing supported by	10% of Increased Council Tax take	47,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	
Borrowing supported by	10% of Increased Council Tax take UPLIFT	57,000	-	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	
External Funding	Developers contributions (Wave 4)	12,511	0,056	5,612	5,612	1,158	3,743	0,436	1,506	-	-	-	-	-	
External Funding	Developers contributions (LDP)	58,400	-	0,165	0,165	-	6,150	1,619	3,382	12,794	19,237	15,053	-	-	
External Funding	Asset Sales (Wave 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reserves	Capital Fund Drawdown	27,000	6,986	0,000	0,000	20,014	-	-	-	-	-	-	-	-	
Internal Funding	Long-Term Financial Plan Loan Charges Review	125,908	-	-	-	13,831	49,772	30,208	32,582	44,725	4,171	15,035	5,714	20,290	
<b>Total Funding Opportunities</b>		<b>1,725,732</b>	<b>375,878</b>	<b>179,725</b>	<b>38,125</b>	<b>217,850</b>	<b>253,091</b>	<b>244,536</b>	<b>180,694</b>	<b>83,907</b>	<b>118,313</b>	<b>83,238</b>	<b>70,173</b>	<b>56,842</b>	<b>41,210</b>

**Summary of Changes**

<b>Description</b>	<b>Amount</b>
Long-Term Financial Plan Loan Charges Review	- 125.908
Council Tax Funding	- 57.000
Slippage Assumptions/Re-profiling	- 19.994
Existing Project Funding Pressures	25.760
General Capital Grant Assumptions	5.359
<b>Movement from February</b>	<b>- 171.783</b>

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
Total	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Total Capital Expenditure	<b>1,725.732</b>	375.878	217.850	253.091	244.536	180.694	83.907	118.313	83.238	70.173	56.842	41.210
Total Capital Funding	<b>1,725.732</b>	375.878	217.850	253.091	244.536	180.694	83.907	118.313	83.238	70.173	56.842	41.210
Funding Pressure (Incremental)	<b>0.000</b>	-	-	<b>0.000</b>	<b>- 0.000</b>	<b>0.000</b>	<b>- 0.000</b>	<b>0.001</b>	<b>- 0.000</b>	<b>- 0.000</b>	<b>- 0.000</b>	<b>0.000</b>



# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Corporate Services Directorate: Revenue Budget Monitoring 2021/22 – Month Four position

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee notes:
- 1.1.1 that services delivered by the Corporate Services Directorate are forecast to be within budget for 2021/22;
  - 1.1.2 it is forecast outturn expenditure will be within the approved revenue budget for the Chief Executive's Office for 2021/22;
  - 1.1.3 due to the Coronavirus pandemic, it is anticipated there will be additional costs incurred and loss of income. These are currently forecast to be within the 2021/22 provision for Coronavirus additional costs and loss of income;
  - 1.1.4 measures will 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 and,
  - 1.1.5 the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by the Corporate Services Directorate.

#### Stephen S. Moir

Executive Director of Corporate Services

Contact: Iain Shaw, Principal Accountant,

Finance and Procurement Division, Corporate Services Directorate

E-mail: [iain.shaw@edinburgh.gov.uk](mailto:iain.shaw@edinburgh.gov.uk) | Tel: 0131 469 3117

# Finance and Resources Committee

## Corporate Services Directorate - Revenue Budget Monitoring 2021/22 – Month Four position

### 2. Executive Summary

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- 2.1 The report sets out 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.
- 2.2 Services delivered by the Corporate Services Directorate and the Chief Executive's Office are forecast to be within budget for 2021/22.
- 2.3 Due to the Coronavirus pandemic, it is anticipated there will be additional costs incurred and loss of income. These are currently forecast to be within the 2021/22 provision for Coronavirus additional costs and loss of income.
- 2.4 Measures will 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. The attainment of this position is subject to active management of risks and pressures.

### 3. Background

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- 3.1 The Council's Financial Regulations require submission of quarterly monitoring reports on service financial performance to the Finance and Resources Committee.
- 3.2 This report advises on the projected outturn for services delivered by Corporate Services Directorate and the Chief Executive's Office after four months of the financial year.

### 4. Main report

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- 4.1 The Corporate Services Directorate revenue budget for 2021/22 is £79.086m. This includes a range of Council-wide contracts, including the Council's ICT contract, external audit fee and Scotland Excel membership. The Directorate provides directly delivered Council services, including Customer Contact services and

professional support services for Finance and Procurement, Human Resources, Legal and Assurance, Strategic Change and Delivery, Policy and Insight and Communications.

- 4.2 Council approved the recommendations of a report - Senior Leadership Review at its meeting on 27 May 2021. The report recommended a new Council organisational structure, effective from 1 July 2021. This budget monitoring report reflects the new Council structure and includes financial performance of the Chief Executive's Office.
- 4.3 The period four forecast is for expenditure of the Corporate Services Directorate to be within budget by £74,000. This forecast excludes the additional costs and loss of income due to the Coronavirus pandemic.
- 4.4 Financial controls applied during 2020/21, including control of recruitment to all non-essential vacant posts and agency worker use, will continue to be applied during the current year. Controls will also be applied to discretionary expenditure where no legal or contractual commitment exists, to mitigate potential budget pressures.
- 4.5 Significant additional costs, as a direct consequence of responding to the needs of the City and the Council during recovery from the Coronavirus pandemic are forecast for services delivered by the Corporate Services Directorate.
- 4.6 Customer and Digital Services is anticipating a range of additional Coronavirus recovery activities during 2021/22 including:
  - 4.6.1 additional support required for Benefit payments;
  - 4.6.2 agency resource for Contact Centre, if there is a requirement for staff to return to business as usual activities and additional Scottish Government requirements continue;
  - 4.6.3 ongoing overtime to ensure sufficient capacity to meet service demands;
  - 4.6.4 resource for Council Tax/NDR billing and recovery;
  - 4.6.5 recovery of Housing Benefit overpayments; and,
  - 4.6.6 investment in data management resource to ensure data is effectively analysed to support efficient operation.
- 4.7 Additional costs are forecast to be fully mitigated by investment in a Coronavirus pandemic recovery provision of £1m, established following confirmation of the 2020/21 outturn. These activities will be subject to ongoing review throughout 2021/22.
- 4.8 An analysis of the projection by each Division of Corporate Services and the Chief Executive's Office is provided in Appendix 1, together with identification of forecast additional Coronavirus costs and income shortfalls.

- 4.9 The approved 2021/22 revenue budget requires the Corporate Services Directorate to achieve incremental savings of £1.537m in 2021/22. These are detailed in Appendix 2.
- 4.10 £1.287m (84%) of approved savings are forecast to be on track for full delivery and are assessed as 'Green', with £0.250m (16%) assessed as 'Amber'. Appendix 2 provides detail of the status of savings assessed as 'Amber'. No savings are assessed as 'Red' or 'Black'.
- 4.11 At this stage in the financial year, the principal financial risks identified for Corporate Services Directorate services include:
- 4.11.1 Welfare Reform grants - potential additional demand as furlough support ends at the end of September;
- 4.11.2 Coronavirus recovery activities for Customer and Digital Services exceeds the available funding of £1m; and,
- 4.11.3 A shortfall in Council Tax/NDR Intervention Income.
- 4.12 All current and emerging risks will be subject to ongoing tracking, development of mitigation measures and review throughout 2021/22.
- 4.13 The following additional investment for 2021/22 is allocated to the Corporate Services Directorate:
- 4.13.1 £0.3m to support delivery measures for the Council's Sustainability Plan - approved by Council on 18 February 2021;
- 4.13.2 £0.7m to support the City-wide 2030 Net Zero Strategy - approved by Council on 27 May 2021;
- 4.13.3 £0.6m to support the embedding of the Council Business Plan Outcome commitment to reform the way the Council works to better deliver prevention services with engaged and empowered communities - approved by Council on 27 May 2021;
- 4.13.4 £0.130m to support Food Growing and to recognise the increase in demand for local food - approved by Council on 27 May 2021;
- 4.13.5 £0.100m to support Diversity Training - approved by Council on 27 May 2021;
- 4.13.6 £0.052m for the contract extension of a Gaelic Development Officer post - approved by Council on 27 May 2021.
- 4.14 The report 'Revenue Monitoring 2021/22 – Month Four Position' on this agenda provides an update on project progress following the additional investment approved by Council.
- 4.15 On 12 January 2021, Finance and Resources Committee approved carry forward of an underspend of £30,000 on Civic Hospitality within the Lord Provost's Office from 2020/21 to 2021/22. This funding is now earmarked for 2021/22.

## **5. Next Steps**

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- 5.1 Continuing work to identify mitigating measures through workforce and discretionary expenditure controls to manage financial risks and take timely remedial action, where adverse variances become apparent.
- 5.2 Non-Domestic Rates and Council Tax Intervention Income will be reviewed throughout the remainder of 2021/22, after warrants have been raised. An assessment will be made of the potential collection rates.

## **6. Financial impact**

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- 6.1 This report forecasts the Corporate Services Directorate expenditure to be within budget, including the additional costs and loss of income due to the Coronavirus pandemic.
- 6.2 Attainment of a balanced position is the subject of continuing work to identify further mitigating measures, active management of financial risks and taking timely remedial action, where any further adverse variances become apparent.

## **7. Stakeholder/Community Impact**

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- 7.1 Whilst the report provides a financial monitoring update on the Corporate Services Directorate revenue budget, it should be noted that these costs are directly associated within the provision of a range of front-line and corporate services that have been essential to support citizens, businesses and communities throughout the pandemic. The Directorate has enabled and continues to enable the Council to maintain and adapt core services across the City, as well as responding to the need to provide entirely new and additional services on behalf of the Scottish Government. All these activities have had varying degrees of impact upon the community or key stakeholders.

## **8. Background reading/external references**

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- 8.1 [Revenue Budget Framework 2021/26 Update](#), The City of Edinburgh Council, 27 May 2021

## **9. Appendices**

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- 9.1 Appendix 1 – Corporate Services Directorate and Chief Executive’s Office Revenue Budget Monitoring 2021/22 - Month Four position
- 9.2 Appendix 2 – Corporate Services Directorate: Approved Revenue Budget Savings 2021/22

# Appendix 1

## Corporate Services Directorate and Chief Executive's Office

### Revenue Budget Monitoring 2021/22

#### Month Four position

#### 1. Forecast Revenue Outturn by Division

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	
Customer and Digital Services	53,270	53,270	0	
Finance and Procurement	7,117	7,117	0	
Human Resources	5,595	5,595	0	
Legal and Assurance	6,771	6,760	(11)	FAV
Policy and Insight, Strategic Change and Delivery and Communications	6,128	6,065	(63)	FAV
Directorate and service-wide costs.	205	205	0	
<b>Total Net Expenditure</b>	<b>79,086</b>	<b>79,012</b>	<b>(74)</b>	<b>FAV</b>
<b>Chief Executive's Office</b>	<b>212</b>	<b>212</b>	<b>0</b>	<b>-</b>

#### 2. Forecast Coronavirus Costs and Loss of Income

	Budget Provision £'000	Projected Outturn £'000	Projected Variance £'000	Adverse / Favourable
Customer and Digital Services – Coronavirus Recovery	1,000	1,000	0	
<b>Total Net Expenditure</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>	

## Appendix 2

### Corporate Services Directorate: Approved Revenue Budget Savings 2021/22

Division	Saving Description	2021/22 £'000	Red/Amber/Green/Black* assessment
Customer and Digital Services	ICT contract extension savings	950	
Customer and Digital Services	Digital Delivery - ICT	150	
Customer and Digital Services	Digital Delivery – Print, Mail and Scan Strategy Development	200	Saving for Quarter One 2021/22 verified and progressed towards final agreement with other Council departments.
Customer and Digital Services	Renting of Assets for 5G Nodes	50	Saving being progressed by Council's Digital Services Team.
Service-Wide	Corporate Services Directorate Workforce Savings - Finance	110	
Service-Wide	5% average increase in discretionary fees and charges	77	
	<b>TOTAL</b>	<b>1,537</b>	

SUMMARY	£'000	%
Green assessed	1,287	84
Amber assessed	250	16
Red assessed	0	0
Black Assessed	0	0
<b>TOTAL</b>	<b>1,537</b>	<b>100</b>

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## Finance and Resources Committee

10.00am, Thursday, 7 October 2021

### Participatory Budgeting: Progress Update

Executive/routine Wards Council Commitments	Executive All
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#### 1. Recommendations

- 1.1 Members of the Finance and Resources Committee are recommended to:
  - 1.1.1 agree the principles set out within the Council's Participatory Budgeting (PB) framework;
  - 1.1.2 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;
  - 1.1.3 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;
  - 1.1.4 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; and,
  - 1.1.5 refer this report to the Culture and Communities Committee for its information.

#### Stephen S. Moir

Executive Director of Corporate Services

Contact: Hugh Dunn, Service Director: Finance and Procurement,  
Finance and Procurement Division, Corporate Services Directorate  
E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150

Contact: Michele Mulvaney, Strategy Manager (Communities),  
Policy and Insight Division, Corporate Services Directorate  
E-mail: [michele.mulvaney@edinburgh.gov.uk](mailto:michele.mulvaney@edinburgh.gov.uk) | Tel: 0131 469 3541

## Participatory Budgeting: Progress Update

### 2. Executive Summary

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- 2.1 Following agreement between the Scottish Government and CoSLA that all Councils will work towards allocating 1% of their budgets by means of Participatory Budgeting (PB), this report sets 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.

### 3. Background

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- 3.1 The Council's Business Plan reflects a clear desire to adopt PB more widely across the Council as part of a broader commitment to increase community empowerment. This builds on the Coalition Agreement in 2017 which set an ambition to become a leading council in Scotland for community engagement through allocating 1% of the Council's discretionary budget through PB.
- 3.2 The Scottish Government and COSLA subsequently reached a framework agreement to work towards allocating a sum equal to 1% of external revenue funding (based on the 2021/22 Local Government Finance Settlement a target of around £8.2m for the Council) through PB.
- 3.3 While the target is defined with reference to the revenue settlement, "qualifying" spend can be identified through either the revenue or capital budget and include Housing Revenue Account-related activity. While not prescribed by the national agreement, it is proposed that the level of qualifying expenditure is recorded as it is incurred, rather than at the point it is approved (this is particularly relevant for capital projects which may span more than one year).
- 3.4 The Scottish Government/COSLA framework agreement was initially to be achieved by the end of 2021 but due to the COVID-19 pandemic, a more flexible approach has now been agreed in terms of timescales but with an emphasis on demonstrable year-on-year progress. This flexibility includes how PB is defined, leaving this to each council to specify. Progress against the 1% target will be subject to aggregated annual Scotland-wide reporting through COSLA.

## 4. Main report

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4.1 In March 2020, the Corporate Leadership Team (CLT) identified a number of budget areas which could be prioritised for progressing participatory budgeting approaches. These included Localities/Neighbourhood Environmental Programme (NEP), Pupil Equity Fund (PEF), Parks and Greenspace, Road Safety and Early Years.

4.2 The follow-up work to develop the associated strategic proposals was, however, paused due to the pandemic but has restarted in recent months.

### **Council's proposed approach to PB**

4.3 A Council-specific PB Framework (included as Appendix 1) has now been drafted to support the development of a programme of activity across the Council. This framework sets out the principles underpinning the Council's proposed approach and how PB coverage will be extended to include mainstreaming and commissioning activity.

4.4 The approach recognises the flexibility provided by the Scottish Government in defining PB and focuses, in particular, upon the importance of deliberative dialogue with communities in shaping and influencing the decision-making process. This builds upon the current approach to PB, such as the format of £eith Chooses, whilst recognising that the precise form of this deliberative dialogue needs to be tailored to a wider mainstreaming and commissioning environment.

### **PB activity in 2021/22**

4.5 In recent years, most of the investment in housing estates has been delivered through Neighbourhood Environmental Projects (NEPs), with the key focus of capital investment being in existing and new-build homes. Delays in implementation due to COVID-19 have resulted in an underspend that has increased the size of the programme planned for delivery in 2021/22 and 2022/23.

4.6 Given the nature of the deliberative dialogue (consistent with the Council's PB framework) underpinning the identification and formulation of this year's projects, total PB-related spend in this area of £2.569m is anticipated in the current financial year.

4.7 This sum is in addition to the £0.049m of planned spend through the £eith Chooses project in 2021/22. Taken together, this £2.618m of spend through PB represents a sum equal to 0.32% of the 1% target for 2021/22.

4.8 The Council has also recently submitted a funding bid for the refurbishment of the existing Cairntow site as part of the Scottish Government's (SG) Gypsy/Traveller Accommodation Fund, with the outcome of the bid expected in mid-October. These proposals, totalling £4.3m, have been tenant-led, with the residents actively shaping the proposed design and layout of the site, landscaping and boundary treatments. Subject to the result of this funding bid and, where applicable, identification of alternative funding sources, these budgets would further contribute to the 1% target in 2021/22 and subsequent years.

## **Building on current practice and developing new PB projects in key areas 2022/23 onwards**

- 4.9 The precise extent of the budget scope to be guided through PB activity still requires to be quantified and agreed with the areas agreed by CLT and would form part of on-going development across all Council services, with the detail of the proposed programme brought to the Finance and Resources Committee in the new year for consideration as part of setting the Council's 2022/23 revenue and capital budgets. Indicative estimates are, however, of a PB programme totalling £4m in 2022/23.

### **Neighbourhood Environmental Programme (NEP)**

- 4.10 As noted above, further spend, informed by extensive deliberative dialogue, is anticipated in 2022/23. A review of current NEP arrangements is, however, underway and this may influence upon the specific process adopted in subsequent years.

### **Road Safety**

- 4.11 There is an opportunity to involve key stakeholders more explicitly in the design of safer and more sustainable routes to school, with relevant spend of up to £9m anticipated over a five to six-year period. Delivery is anticipated to begin from 2022/23, subject to the confirmation of relevant internal and external funding. PB in this area would, however, be developed in such a way as to take appropriate account of established delivery timelines of relevant projects.

### **Pupil Equity Funding**

- 4.12 Use of PB expenditure in PEF is increasingly being promoted nationally with possible opportunities to extend this to other areas of expenditure, as part of a longer-term development of PB-based approaches within schools.

### **Area-based regeneration**

- 4.13 There may furthermore be opportunities over the medium to longer term, as part of a more holistic approach, to involve the community more actively in helping shape change and improvement in their own neighbourhoods, supporting wider area-based regeneration ambitions and improving the quality of life for those who live there.

### **Other areas**

- 4.14 In addition to the initiatives above, it is anticipated that further "qualifying" spend will be incurred during 2022/23 through £10m Chooses, as well as (subject to further discussion with the service area) potential opportunities within Parks and Greenspace and Early Years provision.

### **Associated staffing and related support requirements**

- 4.15 Despite previous SG PB-funded programmes providing 12% support costs for projects, the SG/CoSLA framework agreement does not specifically provide resource to support local progress on PB. Whilst the support costs associated with the current year's activity can be contained within existing resources, resources for the medium to long term will need to be identified as part of costed project plans.

## 5. Next Steps

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- 5.1 Subject to Committee's agreement to the broad principles set out within the Council's framework, discussions will continue with relevant services to develop proposals for further initiatives, with these brought to the Finance and Resources Committee for consideration in the new year as part of setting the Council's 2022/23 revenue and capital budgets.

## 6. Financial impact

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- 6.1 The proposed approach to PB focuses first and foremost on *how*, rather than where, available funding is spent and, as such, is not about identifying a separate and/or additional resource. There are, however, some areas of expenditure that cannot be influenced or changed by public choices, such as historic borrowing costs and sums linked to pre-existing contracts.
- 6.2 As noted above, staffing and other related resources for the medium to long-term development of PB will need to be identified as part of costed project plans.

## 7. Stakeholder/Community Impact

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- 7.1 PB offers the potential to achieve better outcomes for individuals and communities by involving and engaging local people in having a direct say in how public money is spent in their community. Resources are allocated through a process of community participation in the decision-making process, in order to meet identified local need.

## 8. Background reading/external references

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- 8.1 [Community Choices: Participatory Budgeting in Scotland: Framework for the operation of the 1% target for Local Authorities \(2021 Update\)](#), COSLA/Scottish Government, June 2021.

## 9. Appendices

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- 9.1 Appendix 1 - Proposed Participatory Budgeting Framework
- 9.2 Appendix 2 - Timeline of planned activity

**Appendix 1 – Timeline of planned activity**

	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	
	2021				2022							
<b>2021/22 projects</b>												
Neighbourhood Environmental Projects (NEPs), 2021/22	[Yellow bar]											
£eith Chooses - planned event					[Yellow bar]							
Gypsy/Traveller Accommodation Fund - bid outcome known		[Yellow bar]										
Progress update to Finance and Resources Committee		[Yellow bar]										
<b>2022/23 projects</b>												
Discussion with service areas on potential opportunities for roll-out in 2022/23	[Yellow bar]											
Approval of 2022/23 projects as part of Council budget-setting						[Yellow bar]						
Neighbourhood Environmental Projects (NEPs), 2022/23									<b>Draft list of projects developed</b>			
Roll-out of agreed PB-based initiatives									[Yellow bar]			

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## Appendix 2 - Participatory Budgeting Framework

### 1. Aims

The Council believes that participatory budgeting (PB) is one of the key ways to achieve successful change and continuous improvement in the provision of Council services. The Council wishes to increase community participation and open up more inclusive ways of working with citizens, people with lived experience, families, carers and service providers in shaping services so that shared decision-making becomes the norm.

### 2. Definition

- a. Participatory budgeting helps to achieve better outcomes for individuals and communities by involving and engaging local people in having a direct say in how public money is spent in their community. Resources are allocated through a process of community participation in the decision-making process, in order to meet identified local need.
- b. Adoption of a PB-based approach can contribute positively to the following outcomes:
  - Developing a more engaged community;
  - Empowering local individuals and community groups, particularly those traditionally excluded or suffering from inequalities;
  - Increasing community cohesion;
  - Strengthening local democracy;
  - Improving quality of life;
  - Devolving decision making to meet locally defined need; and
  - Supporting effective service design.

### 3. Origins and Background to PB

PB was introduced in Porto Alegre, Brazil in 1988 with the aim of decentralising administrative power by widening participation at a local level. In Edinburgh, PB has been used as an approach to distribute funding since 2010, starting with small grants funding and expanding to other areas such as the Neighbourhood Environment Programme and the Health and Social Care Change Fund.

The Community Empowerment (Scotland) Act 2015 aims to help to empower community bodies through the ownership or control of land and buildings and by strengthening their voices in decisions about public services. The Community Choices Fund was introduced by the Scottish Government in 2014 as a way to expand opportunities for local people to be involved in decisions on local spending priorities and has so far allocated approximately £8m in funding for the development of PB in Scotland.

### 4. Operation of the 1% target for Local Authorities

In October 2017, a framework was developed and agreed by the Scottish Government and COSLA, stating that at least 1% of local government budgets would be subject to participatory budgeting by the end of 2020/21. This agreement, and the associated timeline for implementation, have subsequently been revised to recognise the impact of the COVID-19 pandemic upon local government, people and communities.

The 1% target is calculated with reference to the element of councils' net expenditure requirement that is met other than from Council Tax which is seen already to be a directly- and locally-accountable tax. In the Council's case, this annual target equates to around £8.2m, based on the Local Government Finance Settlement for 2021/22. While calculated with reference to revenue funding, both revenue and capital expenditure can contribute towards meeting the target.

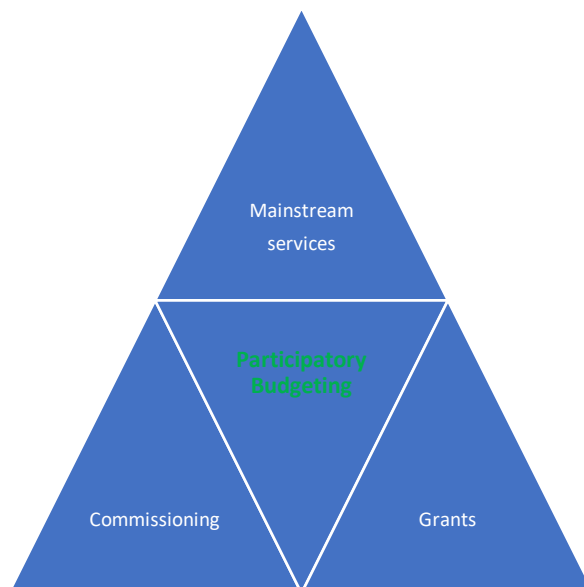
It is important to emphasise that PB focuses first and foremost on *how*, rather than *where*, available funding is spent and, as such, is not about identifying a separate and/or additional resource. There are, however, some areas of expenditure that cannot be influenced or changed by public choices, such as historic borrowing costs and sums linked to pre-existing contracts.

During 2020/21, most planned PB activity across councils was directly impacted by the work needed to respond to the pandemic, resulting in delays in meeting the target. Whilst the joint commitment between the Scottish Government and councils in allocating at least 1% via PB firmly remains, there is now a degree of flexibility available to councils as to when they can practicably meet it. The Council will consider, within

its own local context, how and when the target will be met and report regularly to elected members and communities on its progress.

## 5. Scope of PB activity

Three main areas have been identified as being within scope for PB as shown in the diagram below.



### (i) Grants

Grants are funds given for particular projects or to meet a particular need in the community. This has been the traditional historic focus of PB projects and the Council has developed considerable experience in the successful delivery of a number of grant-based initiatives, including £eith Chooses. Given the comparatively modest size of grants budgets relative to the Council's overall expenditure, however, there is a need to expand the approach to consider how citizens' voices can better influence the allocation of existing resources across frontline services.

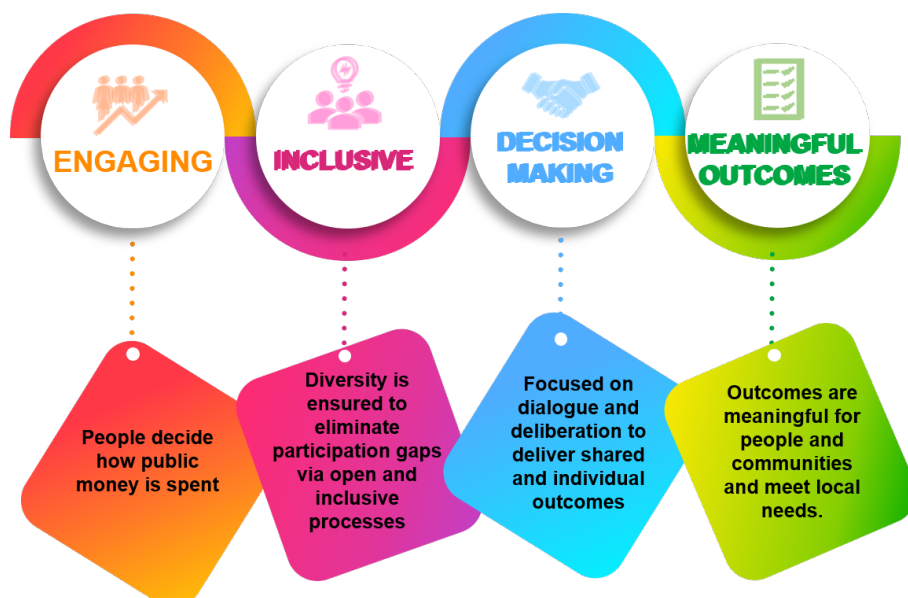
### (ii) Mainstream services

Mainstream PB enables the direct participation of citizens in local financial decision-making, resource allocation and service design, moving beyond allocating individual budgets or identifying separate budgets for community engagement and consultation. It can be used alongside other models of community engagement as part of a strategic approach to advancing participatory democracy alongside representative democracy and public sector reform.

There are also several wider benefits to local democracy associated with running mainstream participatory budgeting. It can help to improve the democratic process by widening participation and re-invigorating the role of local authorities, local councillors and civic society. It can contribute to the effectiveness of public spending by improving the way money is invested by increasing the knowledge available to the local authority when undertaking service planning.

As shown in the diagram below, PB should be empowering of local communities, inclusive of diverse groups not traditionally involved in decision-making, focused upon dialogue and deliberation as part of decision-making and result in meaningful outcomes for local communities and people.





(iii) **Commissioning (services designed to meet the needs of specific end users)**

Input into all parts of the commissioning cycle by communities is widely recognised to deliver better outcomes overall. By recognising the involvement of communities in decision making the Council is recognising the value in the skills, knowledge and experience that communities bring, including that awareness of local activity and need. By sharing the decision-making from the beginning of the process, communities are transformed from passive recipients of services into communities with power over the resources for their community. Done well, participatory budgeting can improve service outcomes and transform communities into equal partners in designing and delivering services. To do so, the Council needs to provide accessible processes and support participation by offering a range of accessible ways in which they can contribute, enabling them to work in reciprocal relationships with professionals and with each other.

## 6. The Council's approach to PB

A continuous programme of PB-based activity will be developed, based on an analysis of opportunities. This approach will not be prescriptive, likely involving a combination of the above approaches, and focus first and foremost on ensuring local people have a greater say and influence in funding decisions that directly affect them.

## 7. Learning and Development

While considerable progress has been made in recent years, PB remains an evolving approach in giving communities a direct voice in how elements of public money are spent. The Council will continue to participate actively in development of this national framework whilst tailoring, where appropriate, these principles to the local context.

The Council will strive to raise awareness, develop and support officers, communities and relevant partners to deliver effective and empowering PB processes.

## 8. Evaluation and Review

As with PB itself, evaluation of the approach is evolving. At this stage, however, it is anticipated that the Council's evaluation will include, as appropriate to the specific project(s) involved,:

- Total expenditure, and by extension proportion of total budget (as calculated in accordance with national framework), allocated through PB with a view to demonstrating year-on-year progress in its coverage;
- Percentage votes cast as a proportion of eligible participants;
- Percentage of residents rating PB process as good or very good; and
- Percentage of individuals reporting improved involvement in decision-making.

The evaluation will also compare planned to actual delivery of project outcomes and take account of external reviews, internal reviews and wider best practice.

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# Finance and Resources Committee

10.00am, Wednesday 7<sup>th</sup> October 2021

## Workforce Dashboard

Item number	
Executive/routine	Routine
Wards	All
Council Commitments	

### 1. Recommendations

---

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

**Stephen S. Moir**

Executive Director of Corporate Services

Contact: Katy Miller, Service Director Human Resources,  
Human Resources Division, Resources Directorate

E-mail: [katy.miller@edinburgh.gov.uk](mailto:katy.miller@edinburgh.gov.uk) | Tel: 0131 469 5522

## Workforce Dashboard

### 2. Executive Summary

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- 2.1 This report provides a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, for the period of **July 2021**.

### 3. Background

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- 3.1 Comparison is made to the previous dashboard reporting period, June 2021.

### 4. Main report

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- 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.
  - the number of VERA/VR leavers and associated cumulative budget savings;
  - the number of redeployees and associated costs; and,
  - Learning and Development digital and face to face satisfaction rates and event numbers.

## Core Workforce

- 4.2 All Figures referred to are contained in Appendix 3.
- 4.3 Our core workforce decreased this period by 215 FTE to 14,465 FTE. 199 FTE of which were in Communities and Families Schools & Lifelong Learning, as a result of their current practice of ending fixed term contracts at the end of the school term. Subsequently, the basic salary pay bill decreased by £6.1 m to £456.5m. 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 June and July 2021.
- 4.5 **Figure 4** shows the change in Directorate FTE between June and July 2021.
- 4.6 Permanent contracts increased by 35 FTE, Fixed Term Contracts (FTCs) decreased by 192 FTE, acting up and secondment contracts decreased by 58 FTE and apprentice/trainee contracts stayed the same.
- 4.7 The annual cost of permanent contracts decreased by £0.6m and FTCs decreased by £5.1m. The cost of acting up and secondment arrangements decreased by £400k, and the cost of apprentices/trainees stayed the same.
- 4.8 The cost of organisation new starts was £1.1m and the cost of leavers was £1.6m.
- 4.9 The spend on Working Time Payments (WTPs) decreased by £8k to £693k.
- 4.10 **Figure 5** shows longer term Local Government Employee workforce change, between June 2015 and July 2021 (i.e. before and after Transformation).

## Flexible Workforce

- 4.11 In the period, this workforce was equivalent to approximately 1,135 FTE. The associated costs for this period increased by £0.5m to £3.1m. (**Figure 6**).
- 4.12 The spend on the agency workforce increased by £0.4m and cost the organisation £1.7m in the period. Of the total spend, 93% is attributable to the primary and secondary agency suppliers, whilst 7% relates to off-contract spend. The agency workforce this period was the equivalent of 587 FTE, with an average monthly workforce of 491 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 £73K this period to £762K. The increase is primarily due to increased supply workers in the Communities and Families Schools & Lifelong Learning in the month. The casual/supply workforce this period was the equivalent of 366 FTE, with an average monthly workforce of 292 FTE (12-month average). The casual/supply cost trend is shown in **Figure 8**.
- 4.15 The total cost of overtime decreased by £39K this period to £622K. A breakdown of the spend by overtime “type” is detailed in **Figures 9 and 10**. Around 61% of the spend was made at the enhanced overtime rate; 16% was paid at plain time; 12% was paid for call outs; 10% related to contractual overtime and 1% was paid at the public holiday rate. The overtime/additional hours worked this period was the

equivalent of 182 FTE, with an average monthly workforce of 175 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 decreased by one since the last period.
- 4.17 Of the 24 employees currently displaced; 15 have now been temporarily redeployed and 9 are not currently redeployed but are carrying out meaningful work in their former service area.
- 4.18 The funding arrangements for the total displaced FTE is as follows; 12.5 FTE are corporately funded; 8.4 FTE are funded by their service and 1.0 FTE are funded externally.

### **Absence**

- 4.19 In the period the monthly absence rate (reflecting days lost to absence in July 2021) decreased from 4.63% (June 2021) to 3.54% (see **Figures 12, 13 and 14**). These figures exclude COVID related absence. While the Council Sickness average decreased by 1.09% in the month, this is localised, ranging from a 1.6% decrease in Communities & Families Directorate to a 0.29% increase in Place Directorate.
- 4.20 The rolling absence rate for the organisation for the 20/21 year was 4.61%, reflecting 140k working days lost to absence in the period (approx. 626 FTE) (see **Figures 15 and 16**). The rolling absence rate for the organisation for the 19/20 year was 5.28%, reflecting 170k working days lost to absence in the period (approx. 756 FTE). Comparison of the 18/19 and 19/20 rolling rate demonstrates an overall increase in organisation absence in the last 12 months.

### **Case Management**

- 4.21 There are currently 166 open high-risk cases (Appendix 4).
- 4.22 The necessity for an ongoing precautionary suspension (currently 13 colleagues) is reviewed on a monthly basis by the Nominated Officer, the ongoing direct cost of those suspended is circa £179k.

### **Learning and Development**

#### **Utilisation**

- 4.24 In July there is always a reduction in the number of learning events and engagement in digital learning, as many colleagues take annual leave.
- 4.25 Throughout July, the Learning and Development team focused on making our digital learning resources ready for the transition to myLearning Hub, our new learning experience platform, for the launch on August 2. myLearning Hub offers one portal now for colleagues to access all digital learning resources. Short sessions on MS Teams to introduce myLearning Hub has been made available to colleagues at launch and will be continued as schools return.

## **5. Next Steps**

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- 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**

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- 6.1 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**

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

## **8. Background reading/external references**

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- 8.1 Workforce Control Report and Dashboard to Corporate Leadership Team on 13 January 2021.

## **9. Appendices**

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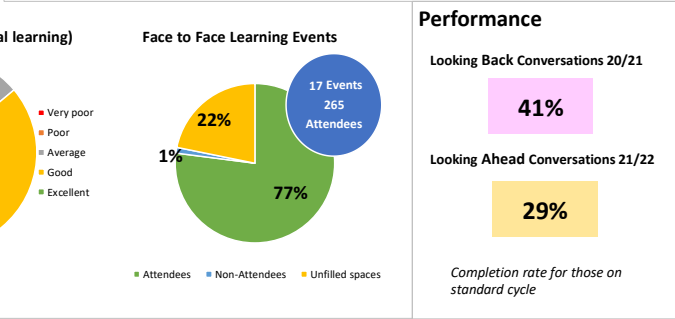
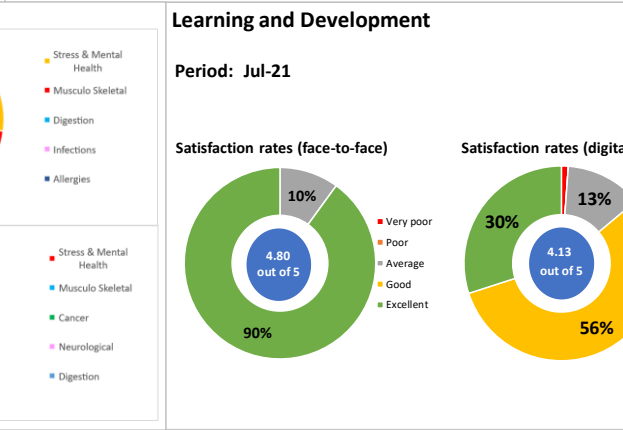
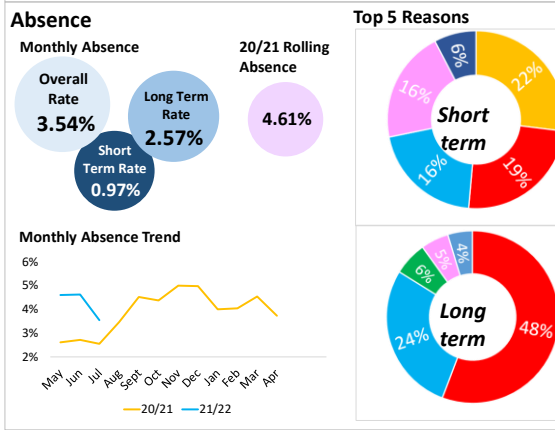
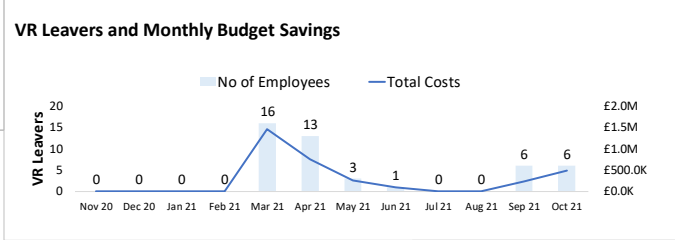
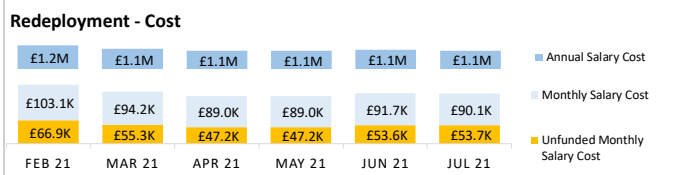
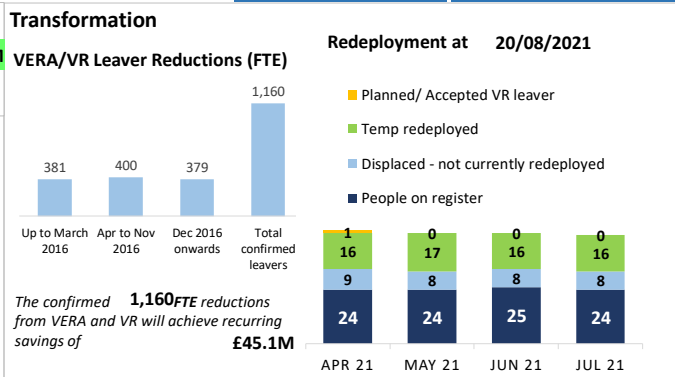
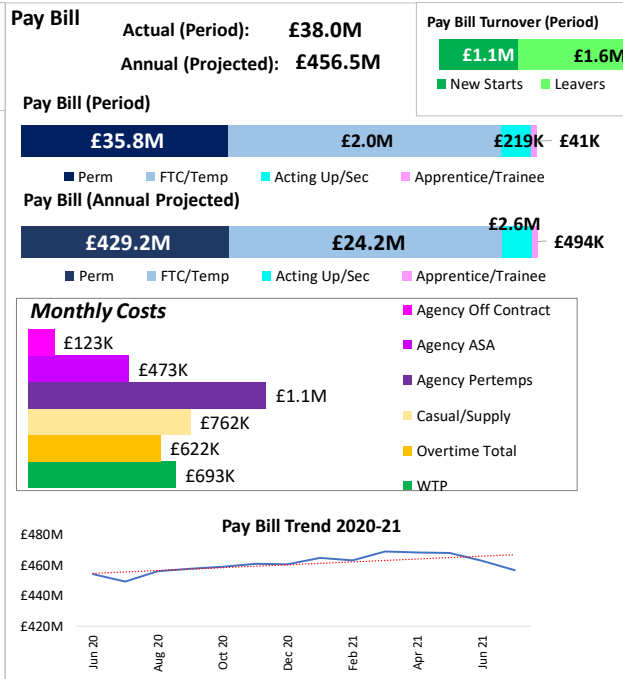
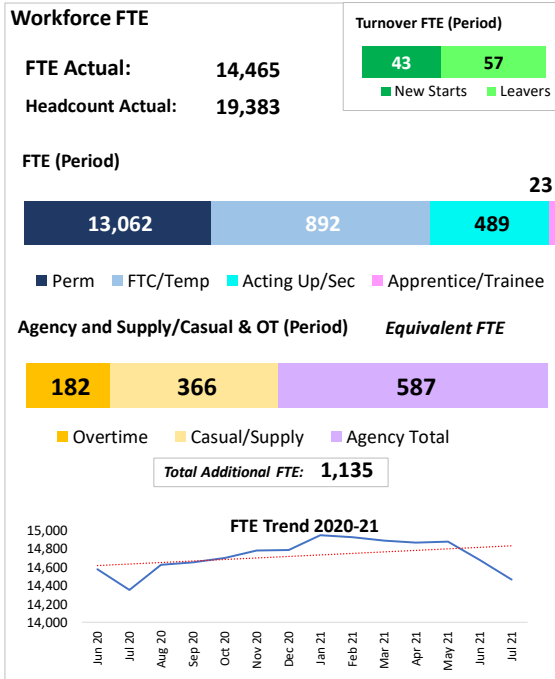
Appendix 1: Corporate Leadership Team Workforce Dashboard

Appendix 2: Corporate Leadership Team Workforce Dashboard Glossary

Appendix 3: Workforce Management Information and Trends

# Appendix 1: Corporate Leadership Team Workforce Dashboard

Period: July 21 | Issued: 08 Sep '21



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## Appendix 2: Corporate Leadership Team Workforce Dashboard Glossary

### 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.*

## Appendix 3: Workforce Management Information and Trends

### Core Workforce: Management Information and Trends

Fig 1. FTE Trend

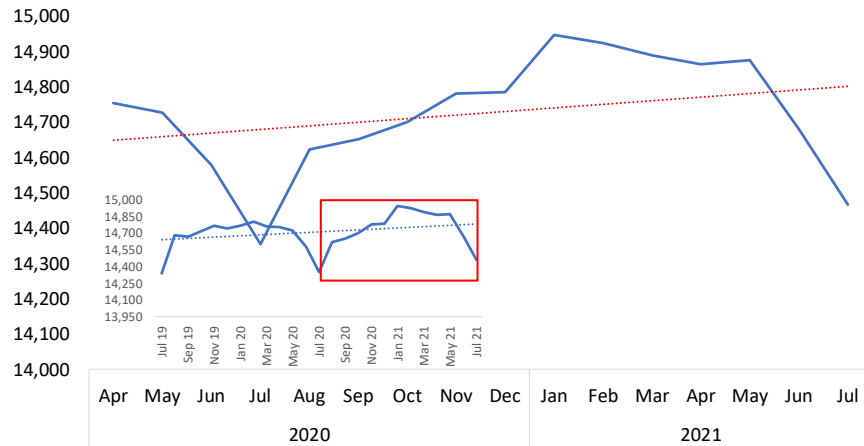


Fig 2. Pay Bill Trend

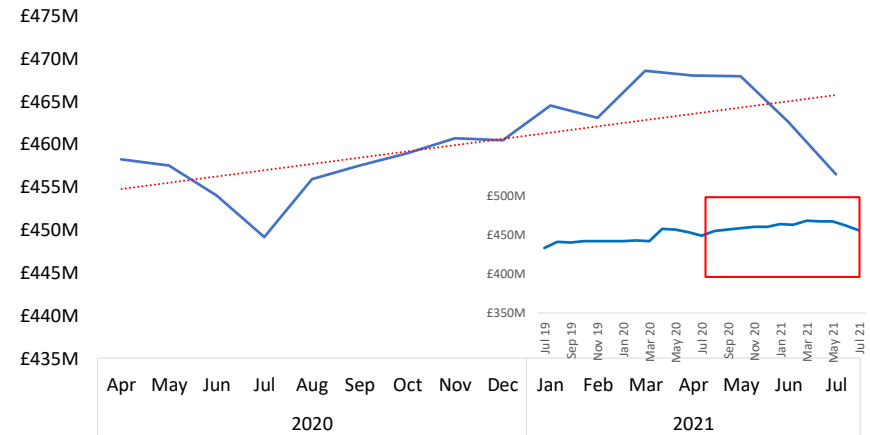


Fig. 3 Core Workforce Groups

Category/ Group	June 2021		July 2021		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Local Government Employee GR1-GR12 including Craft	10,870	13,638	10,848	13,514	-22	-124
Chief Official	14	14	14	14	0	0
Craft Apprentice	19	19	19	19	0	0
Teaching Total	3,777	4,950	3,585	4,831	-192	-119
<b>Council Total</b>	<b>14,680</b>	<b>18,621</b>	<b>14,465</b>	<b>18,378</b>	<b>-215</b>	<b>-243</b>

Note: Figures exclude Chief Executive

Fig. 4 Core Workforce FTE by Directorate

Directorate	June 2021		July 2021		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Strategy & Comms	141	152				
C&F	8,008	10,753	7,809	10,571	-199	-182
EH&SCP	2,043	2,332	2,028	2,304	-14	-28
Place	2,293	2,685	2,295	2,634	2	-51
Resources	2,181	2,844				
Displaced	14	15	13	13	-1	-2
Corporate Services	7	7	2,320	2,943	-10	-60
<b>Council Total</b>	<b>14,687</b>	<b>18,788</b>	<b>14,465</b>	<b>18,465</b>	<b>-222</b>	<b>-323</b>

## Appendix 3: Workforce Management Information and Trends (continued)

### Core Workforce: Management Information and Trends

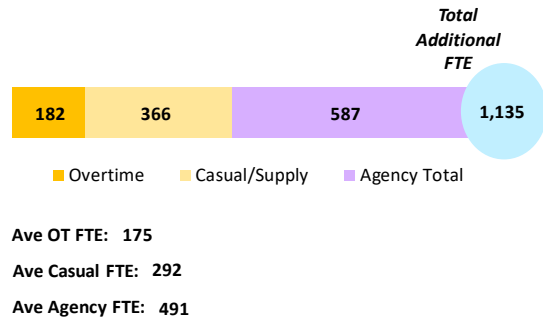
Fig 5. Local Government Employee Workforce Change June 2015 to Current Period

Category/ Group	Grade	June 2015		June 2017		June 2018		June 2019		June 2020		July 2021		June 15 to July 21		
		FTE	Basic Salary Cost	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	240	£3.6M	230	£4.1M	-	394	£-4.0M
	GR2	244	£3.4M	198	£2.9M	170	£2.5M	167	£2.6M	496	£7.8M	543	£9.9M		299	£6.5M
	GR3	2,374	£38.2M	2,124	£34.9M	2,089	£35.1M	1,965	£34.9M	2,038	£37.3M	1,947	£37.0M	-	427	£-1.1M
	GR4	2,479	£45.8M	2,567	£48.1M	2,444	£46.8M	2,549	£52.0M	2,445	£51.8M	2,406	£51.3M	-	72	£5.4M
<i>Front Line Manager/ Specialist</i>	GR5	1,808	£40.6M	1,563	£35.2M	1,545	£35.3M	1,634	£39.6M	1,674	£41.9M	1,744	£43.5M	-	65	£2.9M
	GR6	1,421	£37.1M	1,337	£35.9M	1,397	£38.0M	1,444	£41.8M	1,402	£42.2M	1,466	£44.1M		45	£6.9M
	GR7	1,520	£48.0M	1,296	£42.1M	1,294	£42.4M	1,294	£45.2M	1,300	£46.8M	1,304	£46.9M	-	216	£-1.1M
	GR8	776	£29.2M	652	£25.1M	689	£26.7M	700	£29.0M	711	£30.3M	728	£31.1M	-	48	£1.9M
<i>Managers</i>	GR9	359	£15.9M	280	£12.9M	281	£13.0M	279	£13.9M	276	£14.2M	282	£14.5M	-	77	£-1.4M
	GR10	118	£6.3M	123	£6.5M	117	£6.4M	120	£7.0M	127	£7.7M	121	£7.3M		3	£1.0M
	GR11	47	£3.0M	36	£2.3M	36	£2.4M	38	£2.7M	33	£2.4M	40	£2.9M	-	7	£-0.1M
	GR12	31	£2.2M	33	£2.4M	38	£2.8M	42	£3.3M	40	£3.3M	36	£2.9M		5	£0.7M
<b>Total</b>		<b>11,801</b>	<b>£277.8M</b>	<b>10,849</b>	<b>£256.8M</b>	<b>10,694</b>	<b>£259.4M</b>	<b>10,808</b>	<b>£280.5M</b>	<b>10,782</b>	<b>£289.2M</b>	<b>10,848</b>	<b>£295.6M</b>	<b>-</b>	<b>953</b>	<b>£17.7M</b>

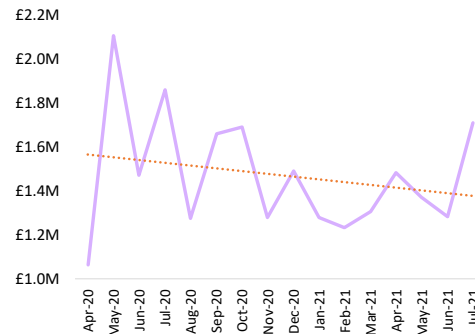
### Appendix 3: Workforce Management Information and Trends (continued)

## Flexible Workforce: Management Information and Trends

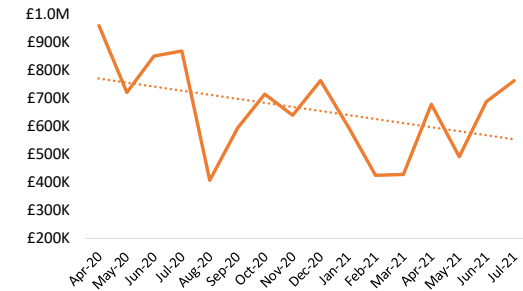
**Fig. 6 Flexible Workforce in Period**



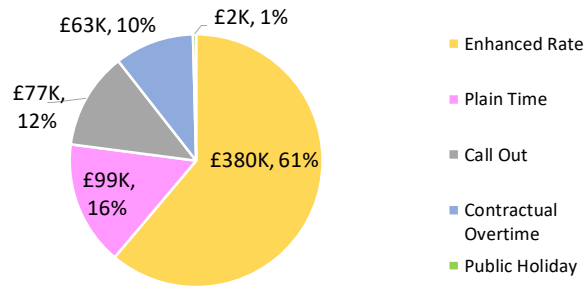
**Fig. 7 Agency Trend**



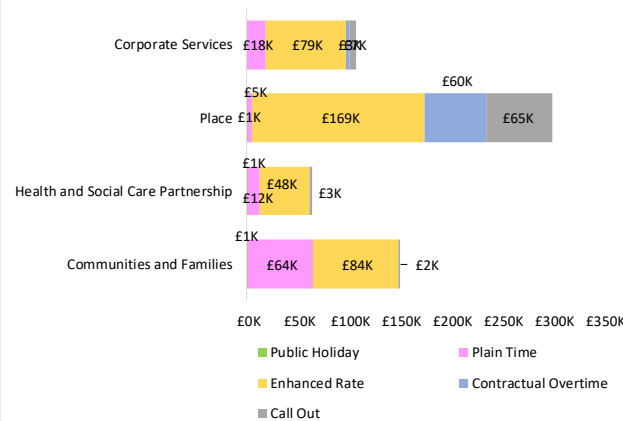
**Fig. 8 Casual Trend**



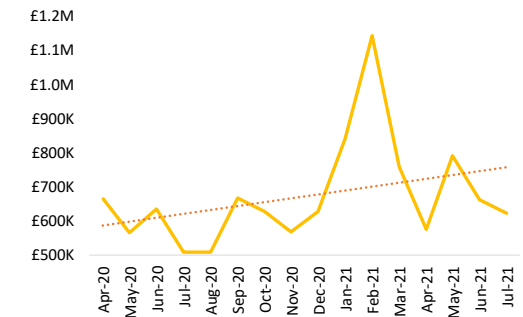
**Fig. 9 Overtime by Type in Period**



**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

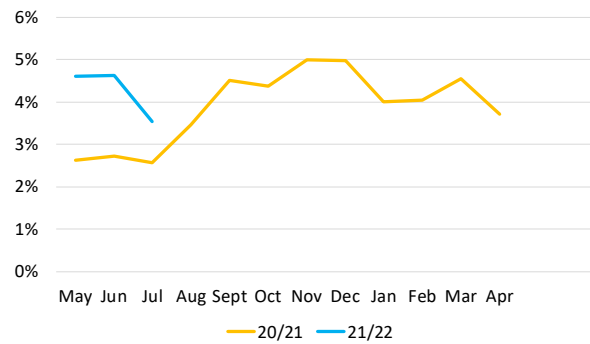


Fig 13. Monthly Days Lost

	Working Days Lost	
	20/21	21/22
Jun	7,222	12,491
Jul	7,005	9,801
Aug	9,470	
Sept	11,986	
Oct	12,020	
Nov	13,329	
Dec	13,823	
Jan	11,165	
Feb	10,284	
Mar	12,789	
Apr	10,101	
May	12,891	

Fig 14. Monthly Absence Rate 20/21 - Directorates

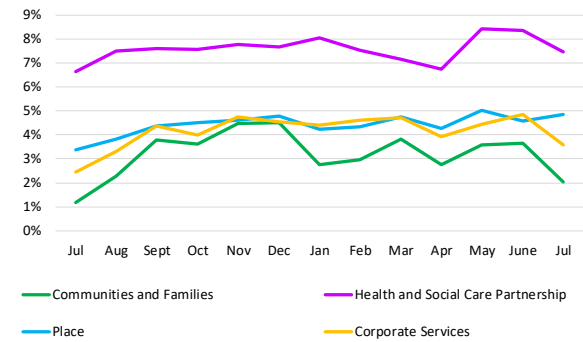
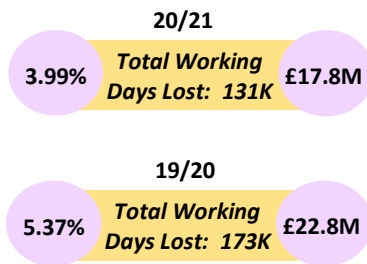


Fig 15. Rolling Absence Rate

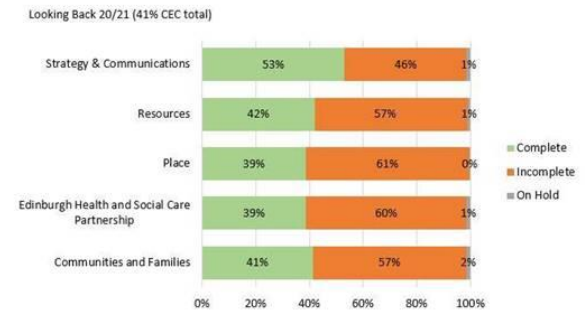


Working days lost to absence between April and March 19/20 + 20/21

Fig 16. Rolling Absence - Directorates

Directorate	Rate 19/20	Days Lost 19/20	Rate 20/21	Days Lost 20/21
Strategy and Communications	2.06%	0.7K	0.60%	0.2K
Communities and Families	3.99%	72K	2.80%	51K
Health and Social Care Partnership	8.97%	42K	8.10%	37K
Place	6.46%	34K	4.60%	23K
Resources	5.98%	29K	4.20%	20K

Fig 17. Looking Back 20/21 Conversation Completion July 21



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## Finance and Resources Committee

10.00am, Thursday, 7 October 2021

### Award of Contracts for Blended Employability Services

Executive/routine Wards Council Commitments	Executive All
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#### 1. Recommendations

- 1.1 This report seeks the approval of the Finance and Resources Committee to:
- 1.1.1 Appoint four providers/consortia to provide Blended Employability Services, as set out in Appendix 1;
  - 1.1.2 Note that the contract duration will be for 36 months with the possibility to extend for a further 36 months;
  - 1.1.3 Note that the maximum total estimated contract value over the four lots is £12,894,204;
  - 1.1.4 Approve the award of contracts to the following providers/consortia for delivery of Blended Employability Services:
    - 1.4.1.1 Lot 1 - TES Consortium at a total maximum contract value of £2,160,000;
    - 1.4.1.2 Lot 2 – ESEC Consortium at a total maximum contract value of £8,160,000;
    - 1.4.1.3 Lot 3 – Access to Industry at a total maximum contract value of £1,500,000; and
    - 1.4.1.4 Lot 4 - ESEC Consortium at a total maximum contract value of £1,074,204.

**Paul Lawrence**

Executive Director of Place

Contact: Elin Williamson, Business Growth and Inclusion Senior Manager

E-mail: [Elin.Williamson@edinburgh.gov.uk](mailto:Elin.Williamson@edinburgh.gov.uk) | Tel: 0131 469 2801

## Award of Contracts for Blended Employability Services

### 2. Executive Summary

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- 2.1 The Council funds third party services to support Edinburgh residents in accessing and progressing along the Employability Strategic Skills Pipeline with the goal of securing and sustaining training and employment.
- 2.2 This report seeks approval to award contracts for Blended Employability Services to four providers/consortia following a co-production exercise.

### 3. Background

---

- 3.1 The Council works with external partners through the Edinburgh and South-East Scotland City Region Deal, Joined-up for Jobs network, Edinburgh Guarantee (Developing the Young Workforce) Partnership and Locality Partnerships to promote inclusive growth across the city.
- 3.2 The following three services, with different focus areas, are currently in place and have been reviewed using a co-production methodology to ensure they remain fit for purpose and value for money:
  - 3.2.1 Supported Employment Service (All in Edinburgh), a pan-disability service, supporting over 950 people per annum. It follows the Scottish Government's five stage Supported Employment model and ensures a "no wrong door" approach for anybody with a disability or long-term health condition who is looking to secure, sustain and, where appropriate, progress in employment. 40% of the funding for this service is matched from European Social Fund (ESF).
  - 3.2.2 Complex Needs Employability Service (EnCompass), providing a range of supports to over 200 people per annum with complex barriers, such as recovering from substance misuse, previous offenders, homelessness, to accessing and sustaining education, training or employment.
  - 3.2.3 Edinburgh Targeted and Integrated Employability Service (Next Step), which aims to support over 1,100 people per annum who are short-term unemployed or facing in-work poverty to secure and sustain employment and upskills unemployed and workless individuals into learning or work. 40% of the funding for this service is matched from ESF.



- 3.3 With the departure of the United Kingdom from the European Union, the match funding received for these programmes from the European Social Fund (ESF) will cease. Other replacement funding streams have been announced by the UK Government but are not confirmed.
- 3.4 As part of the outcome of the co-production, it was evident that replacement services are still required for person centred employability services for each of the target groups, focusing on:
- 3.4.1 A supported employment service for those with a disability or long-term health condition;
  - 3.4.2 Intensive employability support for those with complex needs or additional barriers to employment;
  - 3.4.3 Support for income maximisation and better off in work calculations;
  - 3.4.4 Support for those facing in work poverty; and
  - 3.4.5 Support with digital literacy for employability.
- 3.5 Due to significant changes in the labour market and the new operational context as a result of COVID-19, the established three services were reviewed using a co-production methodology to ensure they remained fit for purpose and value for money.
- 3.6 On [14 January 2021](#) Housing, Homelessness and Fair Work Committee endorsed the recommendation to replace the current three services with four lots and for tendering for an Edinburgh Blended Employability Service to be progressed.

### **Co-production and Citizen Engagement**

- 3.7 A Prior Information Notice (PIN) was published via Public Contracts Scotland (PCS) on 7 October 2020 to engage the wider market in a set of co-production events. This was also advertised via the Joined Up for Jobs network to generate as much interest as possible. In total, 51 organisations noted interest in the PIN and the co-production events, from various third sector, employability, and recruitment and skills development organisations.
- 3.8 A co-production event, which was hosted by Joined Up for Jobs, took place on 4 November 2020 to inform interested parties about the commissioning plan, to consult with the market and to gain insights into what would best meet the needs of Edinburgh citizens.
- 3.9 An invitation to “Share your Views” was published via PCS to allow stakeholders the opportunity to provide valuable information and insight through a survey. This was concluded by the end of November 2020.
- 3.10 In addition, a “Citizen’s Survey” for service users and other interested citizens was disseminated through the Joined Up for Jobs network and through wider peripheral services to try to capture a wide variety of views. This was deemed to be the best way to engage citizens due to COVID-19 restricting normal face-to-face focus groups with citizens. To help capture the views of citizens who were not already accessing employability services, the Citizen’s Survey was promoted through the

Council's main Twitter feed. This was also completed by the end of November 2020.

- 3.11 On 16 December 2020, an "Emerging Themes" feedback event was held. This concluded that the current three contracts would be enhanced with a dedicated in-work support campaign and specialist service to work sensitively alongside employers. This was to be called "In Work Support Service" – a means that the tendering process covered four lots in total. All additional information was published openly on PCS.
- 3.12 To ensure that all potential bidders would be tender ready, a procurement briefing event took place on 26 January 2021. This was attended by representatives from 16 organisations. The main focus for this event was to include all the help that was available for all providers to get themselves bid ready, to network with other organisations, what information was available to help with partnership bids (presentation by Partnership 4 Procurement), handy hints for tendering with the estimated timeline and further training which is available to providers via the Supplier Development Programme.
- 3.13 The Council requested feedback on the timeline from organisations (given the restrictions in place for COVID-19 and possible pressure on resource) and offered options. Most organisations agreed that a later date for publication would be more beneficial for responses and that a contract start date of 1 April 2022 would be more viable (in line with their financial year).
- 3.14 Draft Specifications were also published via PCS on 16 March 2021 for comment. The Council adjusted the timeline and the specification where it was possible to do so.
- 3.15 To conclude, the co-production process found that the following needed to be implemented:
  - 3.15.1 Intensive local employability support is required for those not accessing other employability provision and have additional barriers to employment;
  - 3.15.2 There is still a need for a dedicated supported employment service for those with a disability or long-term health condition;
  - 3.15.3 Those with complex needs require specialist employability support alongside criminal justice, housing and drug and alcohol services;
  - 3.15.4 Many still face in work poverty and a dedicated in-work support campaign and service is required to work alongside employers;
  - 3.15.5 Employability provision needs to include support for income maximisation and better off in work calculations;
  - 3.15.6 Support is required for digital literacy alongside employability provision; and
  - 3.15.7 Mental Health support is required alongside employability provision.

- 3.16 It is anticipated that these changes support the following improvements:
- 3.16.1 Employability services that complement national provision and minimise duplication of other support provision;
  - 3.16.2 More effective targeting of services to those requiring intensive employability support to gain better employment outcomes;
  - 3.16.3 A focus on reducing inequality and fair work so that fewer people will face poverty; and
  - 3.16.4 More efficient delivery through integration of employability services with other public services.

## 4. Main report

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- 4.1 Following the co-production exercise, the Council undertook an Open Tender in accordance with the Public Contracts (Scotland) 2015 Regulations with the Light Touch Regime applied.
- 4.2 A cost: quality ratio of 30:70 was applied as quality was considered to be of higher importance.
- 4.3 For the four Lots advertised, six bids were received from various providers and consortia and, following evaluation, four bids are recommended to be awarded contracts.
- 4.4 It is anticipated that contracts will commence in April 2022 for an initial period of three years, with the option for the Council to extend for a further period of up to three twelve-month periods.
- 4.5 A summary of the tendering and the tender evaluation process is attached in Appendix 1 and the award recommendations are summarised below:

Lot 1 Targeted Employability Service	
For all contract years	
Provider(s)	100% of Tender Final Score
TES Consortium – This includes; Community Renewal Trust as lead, Citizens Advice Edinburgh, Wheatley Foundation, LGBT Health and Wellbeing, Council for Ethnic Minority Voluntary Organisations and Bruce Robertson.	83.96
Provider 2	78.65

Lot 2 Supported Employment Service	
for all contract years	
Provider(s)	100% of Tender Final Score
ESEC (Edinburgh Supported Employment Consortium) – This includes ENABLE Scotland as the lead, The Action Group, Forth Sector and Into Work.	90.73

Lot 3 Complex Needs Employability Service	
for all contract years	
Provider	100% of Tender Final Score
Access to Industry	87.93

Lot 4 In Work Employment Support Service	
For all contract years	
Provider(s)	100% of Tender Final Score
ESEC (Edinburgh Supported Employment Consortium)	80.29
<b>Supplier 2</b>	54.15

## 5. Next Steps

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- 5.1 If Committee approve the report recommendations, contracts will be awarded to the named service providers.
- 5.2 The contracts will be managed by Capital City Partnership, who will monitor Outcomes set out in the Specifications and further Key Performance Indicators, Fair Work First improvements and all Community Benefits offered.
- 5.3 The Council's Contracts and Grants Management team will engage with Capital City Partnership, to ensure that effective contract management is delivered throughout the lifecycle of the Service.

## 6. Financial impact

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- 6.1 The proposed service costs would be met from the Council's Business Growth and Inclusion revenue budget.
- 6.2 The maximum total estimated contract value over the four lots is £12,894,204, which is broken down by Lot as:
  - 6.2.1 Lot 1 - total maximum contract value of £2,160,000;
  - 6.2.2 Lot 2 – total maximum contract value of £8,160,000;
  - 6.2.3 Lot 3 – total maximum contract value of £1,500,000; and
  - 6.2.4 Lot 4 - total maximum contract value of £1,074,204
- 6.3 The specifications have included contract variation clauses, which will allow any changes in focus to be discussed with the providers, should there be evidence to suggest this is required, without the need to re-tender.
- 6.4 These variation clauses also make provision for any additional funding that may become available, including any funding from the UK or Scottish Governments, to be added to the overall contracts. Any additional funding sourced would be used to increase the capacity and level of support which can be provided by these services if required.
- 6.5 All providers have passed financial assessments and agreed to Terms and Conditions which minimises risk to the Council.
- 6.6 All bids came within budget with an expectation that there will be no increases in cost over the first three years of the contracts. Thereafter, any increases will be linked to Consumer Prices Index including owner occupiers' housing costs (CPIH) as a starting point for all negotiations.
- 6.7 In Lot 2 (Supported Employment Service) the total price for the service is split for payment with 70% paid for operational delivery and 30% for achievement of performance outcomes. This approach will help secure Best Value from the contract. £400,000 has been added to the initial budgeted annual contract value for this lot as per the coalition motion that was approved at Full Council on [27 May 2021](#).
- 6.8 The recommended provider for Lot 3 (Complex Needs Employability Service) has included added value with additional funding estimated at £297,000 over the full term of the contract. This added value will enhance the service provided to Edinburgh Citizens in the form of IT and additional funding for Citizens personal purposes i.e. via [Turn2us](#).
- 6.9 The recommended provider for Lot 4 (In work Employment Support Service) includes a saving of 0.5% across the full contract term.
- 6.10 The recommended contracts will also include Community Benefits with an aggregated estimated value of £238,755 over the six-year contract term for the four lots. This includes Community Benefits such as staff volunteering within the communities, targeted recruitment, community engagement and education

workshops, work placements for University Students and School Leavers, Community Impact projects and pledges to spend funding within local supply chains.

## **7. Stakeholder/Community Impact**

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- 7.1 Throughout the process, there was regular communication and contract monitoring with current providers. In addition, the project has been overseen by a monthly steering group with representation from the Council, Capital City Partnership, Commercial and Procurement Services, Strategy and Insight, EVOC, the Localities, Edinburgh Alcohol and Drugs Partnership, Edinburgh Health and Social Care Partnership, Community Justice, Schools and Life-Long Learning, DWP and the Edinburgh Chamber of Commerce.
- 7.2 A summary of the co-production process is outlined in the background to this report.
- 7.3 There was a wide range of input with representation from the steering group included as part of the evaluation team.
- 7.4 Updates on progress have been approved via the Housing, Homelessness and Fair Work Committee.
- 7.5 All Service Providers recommended for award answered the questions on Community Benefits, Sustainability and Fair work Practice, with the majority of the providers responses being deemed good or excellent by the evaluation board; which means that they have provided evidence that their organisations go above and beyond compliance with their legal obligations.
- 7.6 All Lead Providers pay the Scottish Real Living Wage and above, with the four lead organisations being accredited and confirmed that they are committed to the Scottish Business Pledge. Three other partner organisations are also accredited Scottish Real Living Wage organisations, with one other committing to pay the real living wage.
- 7.7 These contracts will support nine Small to Medium Sized Enterprises (SME's) out of the eleven organisations being recommended for award.
- 7.8 An Integrated Impact Assessment (IIA) and Data Protection Impact Assessment (DPIA) have been completed. The IIA has been submitted for publication.

## **8. Background reading/external references**

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- 8.1 [Edinburgh Blended Employability Service](#) - Housing, Homelessness and Fair Work Committee, 14 January 2021.

## **9. Appendices**

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

## Appendix 1 – Summary of Tendering and Tender Evaluation Process

<b>Contract</b>	<b>CT0828 Blended Employability Services</b>	
Contract Period	36 months with the option to extend for a further 36 months	
Maximum Total Contract Value (including extensions)	£12,894,204	
Procurement Route Chosen	Open Tender	
Contracts to be Awarded	4 providers/consortia across 4 lots	
Price / Quality Split	<b>Quality 70</b>	<b>Price 30</b>
	<b>Criteria</b>	<b>Weighting (%)</b>
Evaluation Criterion and Weightings – <b>LOT 1, 2, 3 &amp; 4</b>	Q1. Service Offer	20 - 25%
	Q2. Identifying and continuing to support service users	20 - 25%
	Q3. Partnership and communication	10%
Common Question Weightings – <b>ALL LOTS</b>	Management and Staffing	10%
	Implementation Plan	10%
	Community Benefits	5%
	Business Continuity	5%
	Sustainability	5%
	Fair Works Practice	10%
	Zero Hours Contracts & the Living Wage	Not scored but information is required
	ICO Registration Number (Information Commissioner’s Office for data protection and GDPR purposes)	Not scored but information is required

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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

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

<b>Executive/routine</b>	<b>Executive</b>
<b>Wards</b>	<b>All</b>
<b>Council Commitments</b>	18, 23, 25, 27

### 1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
  - 1.1.1 Approves the award of a contract for the Supply and Installation of Corralling for Bin Hubs and Associated Road Works to Maclay Civil Engineering Ltd; and
  - 1.1.2 Note that the contract period is 18 months, with the option to extend for a further six months, with a total maximum anticipated contract value of £1,673,320.

**Paul Lawrence**

Executive Director of Place

Contact: Andy Williams, Waste and Cleansing Service Manager

E-mail: [andy.williams@edinburgh.gov.uk](mailto:andy.williams@edinburgh.gov.uk) | Tel: 0131 469 5660

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

### 2. Executive Summary

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- 2.1 Following a tendering exercise, this report seeks approval from the Finance and Resources Committee for the award of a contract for the supply and installation of corralling for bin hubs and associated road works. The total maximum anticipated contract value (including extensions), for the delivery of all project phases (as outlined in section 3.10 of this report) is £1,673,320.

### 3. Background

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- 3.1 In order to provide fit for purpose and future proofed communal waste and recycling facilities for the citizens of Edinburgh, a Communal Bin Review (CBR) project is underway. It is the intention to re-configure and install on-street communal bins for all waste and recycling streams, with a view to creating one-stop communal bin hubs and ensuring ease and equality of access to all citizens.
- 3.2 As part of the CBR project the on-street communal bins, which service around 60,000 households city-wide, will be surrounded by corralling (railings/bull bars) to keep them in the correct position and to create a “hub”. Corralling will be installed in an estimated 1,750 locations city-wide.
- 3.3 The introduction of corralling will deliver the following benefits:
- Residents:**
- 3.3.1 Easier access to waste and recycling bins; and
- 3.3.2 Safer passage for pedestrians, wheelchair users, prams, cyclists and other road users, resulting from the reduction/prevention of obstruction of crossing points, dropped kerbs and pavements.
- Waste Collection Crews:**
- 3.3.3 Easier access for bin collection;
- 3.3.4 Safer passage during collection and reduction/prevention of the requirement to move the bins between cars; and

3.3.5 Easier bin return following collection (as the bin hub will be clearly demarcated by the corralling).

**Environmental:**

3.3.6 Enhancement of the existing recycling service is expected to increase the amount of waste recycled, and reduce the amount sent for energy recovery or other disposal, which contributes to a reduction in carbon emissions and improvements to resource use at a global level; and

3.3.7 A more cohesive communal bin service is expected to reduce littering and so enhance the local environment, and reduce leaks of waste to the wider environment;

**Streetscape:**

3.3.8 Reduction of clutter in the public realm; with particular benefits for specific groups such as people with visual impairments and wheelchair users;

3.3.9 Increased pavement space for social distancing;

3.3.10 Improved street cleanliness; and

3.3.11 General improvement in the local environment and on street aesthetics.

3.4 To deliver the aforementioned requirement, a contract is proposed for the Supply and Installation of Corraling for Bin Hubs and Associated Road Works.

3.5 The corraling installation will be undertaken in a phased approach (by area) which will enable a co-ordinated phased approach for the required statutory compliance activities, such as Traffic Regulation Order (TRO) approval, and faster commencement of roll out.

3.6 Outline of the phases\*:

Phase	Area	Estimated Timeframe
1	Leith, Leith Walk and Craightinny	14 weeks
2	Gorgie, Fountainbridge, Corstorphine, Forth, Portobello and Colinton	7 weeks
3	Fountainbridge, Hillside, Inverleith and Morningside	14 weeks
4	Inverleith, City Centre and Southside	18 weeks

\*overview - subject to change/development during installation roll-out

3.7 A short-term supply of corraling (400 units, approximately six to eight weeks supply) was procured from a third party supplier (following a Quick Quote) to enable the recommended Contractor to commence the phase one works as soon as possible following contract award.

- 3.8 This contingency mitigates against the risk of potential project delays resulting from corraling lead times (eight to 10 weeks).
- 3.9 Once the short-term supply of corraling is exhausted, the recommended Contractor will supply the corraling moving forward.
- 3.10 The approach to be taken in the World Heritage Site (part of phase four) will be subject to a further options appraisal, which will include consultation with Edinburgh World Heritage and engagement with residents.

## 4. Main report

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- 4.1 Commercial and Procurement Services (CPS) conducted a mini competition utilising the Council's Transport and Infrastructure Framework Agreement, Lot 1 - Carriageway, Footway and Cycleway Construction and Redesign (including public realm and paved areas).
- 4.2 Prior to their appointment to the Framework Agreement, all Contractors were pre-vetted to ensure that they satisfied the requirements necessary for the delivery of the services, including consideration of financial probity (relating to insurance and financial standing), health and safety and environmental management.
- 4.3 On 16 July 2021, CPS issued a Mini Competition Invitation through the Public Contracts Scotland (PCS) portal, to the five potential Contractors named on the relevant Lot of the aforementioned Framework Agreement, with a tender submission deadline of 20 August 2021.
- 4.4 In order to identify the most economically advantageous tender submissions were assessed on the basis of 70% Cost and 30% Quality. This cost/quality ratio was applied because it was established framework agreement level and the service specification was sufficiently detailed referencing mandatory regulated industry standards, therefore a higher emphasis on quality was not considered necessary.
- 4.5 A summary of the tender and evaluation process is attached at Appendix 1 of this report and the table below shows the weighted scores awarded to each tender submission following evaluation:

Tenderer	Cost (Max. 70%)	Quality (Max.30%)	Total	Ranking
Maclay Civil Engineering Ltd	70.00	21.75	91.75	1
Contractor 2	58.75	24.30	83.05	2
Contractor 3	59.15	19.35	78.50	3

- 4.6 To compliment the phased approach to corralling installation (described in section 3.10 of this report), a “serial contract” approach has been utilised whereby, subject to meeting a range of delivery related criteria in phase one (including on-budget and timely delivery), the recommended Contractor may be awarded the subsequent phase (and so on). Conversely, it was also specified that the Council may, at its discretion, delay or abandon subsequent phases.
- 4.7 The recommended Contractor’s Bills of Quantities for phase one will be used as a basis for future phase costs.

## **5. Next Steps**

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- 5.1 Subject to approval, the Contract will commence on 10 October 2021 and will assist the Council in delivering the CBR project and continuing to meet its statutory obligations with regards to the collection, treatment and disposal of waste and recycling materials.
- 5.2 The Contracts and Grants Management team and the appointed Contract Manager will ensure that effective contract management is delivered throughout the Contract lifecycle. A Contract Management and Handover report, detailing the necessary steps and measures, will be produced and agreed. It is envisaged that proactive contract management (to include robust monitoring of all appropriate management information, key performance indicators and budget/savings tracking) will assist in the delivery of an effective and efficient service for the City of Edinburgh throughout the duration of the Contract.

## **6. Financial impact**

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- 6.1 The maximum anticipated contract value (for the delivery of all phases) is estimated at £1,673,320 over the full contract period (including potential extensions). This total includes a 10% contingency uplift to allow for any potential variation in deployment.
- 6.2 The cost will be met from the CBR project budget. In addition, funding has been sought from Zero Waste Scotland for the delivery of a range of elements of the CBR project (including the supply and installation of bin hubs corralling and associated road works).
- 6.3 It is anticipated that the outcome of the Zero Waste Scotland funding application will be known by the end of October 2021.
- 6.4 To calculate the contract value and estimated savings, estimated volumes were provided within the tender documentation. Tendered prices were then applied to the estimated volumes to establish a total cost for each tender.
- 6.5 The recommended Contractor’s bid represents an estimated overall total saving of £145,000, against an average of tendered costs submitted by all Contractors.
- 6.6 During the contract period the Contract Manager will be responsible for the tracking “actual” savings, which will be dependent on contract usage.

- 6.7 The costs associated with procuring the proposed Contract are estimated to be between £10,000 and £20,000.

## **7. Stakeholder/Community Impact**

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- 7.1 The citywide CBR project will affect around half of the city's residents and the following engagement was undertaken by the Waste and Cleansing Service prior to commencement of related procurement process.
- 7.1.1 **Elected Member and Internal Stakeholder Engagement** - As detailed within the Transport and Environment Committee Report of [5 December 2019](#), on 3 October 2019 a 'Show Case' event was held for Elected Members and Internal Stakeholders at the Seaford Depot. The event included a presentation on the progress and next steps of the CBR project and different types of communal bins, bin housings and corraling options were displayed. In total around 30 people attended including Elected Members, stakeholders such as Edinburgh World Heritage, and Council officers. Feedback was collected at the end of the session which contributed to the approval of the parameters, criteria and type of bins required, as detailed in a report to Transport and Environment Committee on [27 February 2020](#).
- 7.1.2 **Community Engagement** - As detailed within the Business Bulletin to the Transport and Environment Committee on [12 November 2020](#), Changeworks and the Council's Waste and Cleansing Team collaborated to deliver a series of on-street community engagement events across Edinburgh to inform the public about planned improvements to their waste and recycling service as part of the Council's CBR project. In addition, a "Residents' of Edinburgh" Communal Recycling Consultation was carried out by Changeworks in 2018 as detailed within the appendix of the Enhancing Communal Bin Collections update report to Transport and Environment Committee on [9 August 2018](#).
- 7.2 Concept Testing was undertaken in Albert Street which included the corraling of bin hubs, as detailed within the following two reports:
- 7.2.1 Communal Bin enhancement report to Transport and Environment Committee on [20 June 2019](#) (Appendix 4 Albert Street – concept testing report).
- 7.2.2 Communal Bin Enhancement Update Report to Transport and Environment Committee on 5 December 2019 (Appendix 1 – Concept testing monitoring summary. Including resident's consultation carried out by Changeworks).
- 7.3 The award of this contract will contribute to the realisation of Council Commitments numbers 18 (to "improve Edinburgh's air quality and reduce carbon emissions"), 23 (to "implement improvement plans for the Waste and Cleansing Service to improve street cleanliness in every ward"), 25 (to "increase recycling to 60% from 46%

during the lifetime of the administration”) and 27 (to “tackle pavement parking and reduce street clutter to improve accessibility”).

- 7.4 The recommended Contractor has committed to provide Community Benefits at Framework Agreement level. The total numerical value of business awarded to them through the Framework Agreement is transposed into points and then based on points accrued (annually or by mutual consent) the Contractor is required to deliver pre-agreed Community Benefits of sufficient social value, such as sponsorship of a local organisation or delivering a workshop in a school or community centre (linked to the Curriculum for Excellence).
- 7.5 The recommended Contractor has confirmed that they intend to pay workers (including any agency or sub-contractor workers) the Real Living Wage.
- 7.6 There are no negative impacts on carbon, adaption to climate change and sustainable development arising directly from this report. Further to the environmental benefits described in section 3.6 of this report, improvements to the quality of the waste and cleansing services is expected to result in an increase of the amount of waste recycled and support delivery of the Council’s Waste and Recycling Strategy.
- 7.7 The procurement process followed is compliant with all relevant regulations as well as the Council’s Contract Standing Orders. The risk of legal challenge relating to this procurement exercise has therefore been minimised.

## **8. Background reading/external references**

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- 8.1 The proposed service will contribute to the success of [Council Commitments](#) 18, 23, 25 and 27.
- 8.2 The Council’s [Waste and Cleansing Strategy](#).
- 8.3 The Communal Bin Review project [website](#).

## **9. Appendices**

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

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	Supply and Installation of Corraling for Bin Hubs & Associated Road Works Ref: CT2807	
<b>Contract period (including any extensions)</b>	11 October 2021 to 10 May 2023 with an optional extension of up to 6 months	
<b>Maximum Anticipated Contract Value (including extensions)</b>	£1,673,320	
<b>Procurement Route Chosen</b>	Mini Competition utilising the Council's Transport & Infrastructure Framework Agreement, Lot 1 - Carriageway, Footway and Cycleway Construction & Redesign (including public realm and paved areas) ref: CT2205	
<b>Tenders Returned</b>	3	
<b>Recommended Contractor</b>	Maclay Civil Engineering Ltd	
<b>Cost / Quality Ratio</b>	Cost 70%	Quality 30%
<b>Cost / Quality Ratio Rationale</b>	Ratio established framework level	
<b>Evaluation Criteria and Weightings</b>	<b>Quality Criteria</b>	<b>Weighting</b>
	Service Delivery Methodology	30%
	Resources	15%
	Quality Workmanship	15%
	Contract Management	10%
	Product Offered (Corraling)	10%
	Product Quality and Warranty	10%
	Business Continuity	5%
	Covid-19 Pandemic Working Practices	5%
<b>Evaluation Team</b>	Two officers from Waste & Cleansing Services and one officer from Transport Contracts & Design	



# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Award of Contracts for City Centre West to East Cycle Link and Street Improvements Project Construction

<b>Item number</b>	<b>Executive</b>
<b>Executive/routine</b>	<b>6 – Corstorphine/ Murrayfield</b>
<b>Wards</b>	<b>11 – City Centre</b>
<b>Council Commitments</b>	<a href="#">16, 17, 18, 19, 27, 39</a>

### 1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the:
  - 1.1.1 Appointment of 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;
  - 1.1.2 Appointment of 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; and
  - 1.1.3 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.

**Paul Lawrence**

Executive Director of Place

Contact: Daisy Narayanan, Senior Manager – Placemaking and Mobility

E-mail: [daisy.narayanan@edinburgh.gov.uk](mailto:daisy.narayanan@edinburgh.gov.uk)

## Award of Contracts for City Centre West to East Cycle Link and Street Improvements Project Construction

### 2. Executive Summary

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- 2.1 The City Centre West to East Cycle Link and Street Improvements project (CCWEL) 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.
- 2.2 This report seeks approval to award the contract for the construction stage to Balfour Beatty Civil Engineering Limited (BBCEL), through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement.
- 2.3 Further approval is sought to award the contract for site supervision and utility diversions coordination to AECOM Limited, who are the Principal Designer for the project, and to proceed with the required utility diversionary works to allow the project to be delivered.

### 3. Background

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- 3.1 On 17 June 2021, the Transport and Environment Committee considered and approved a report on the CCWEL. The project consists of significant street improvements between Roseburn and Picardy Place, which will transform the nature and operation of numerous streets. Designs have been subject to extensive public consultation and required Statutory Orders have been completed or are underway.
- 3.2 The project is split into three sections as follows:
  - 3.2.1 Section One runs from Roseburn to Haymarket and will introduce of a two-way segregated cycleway on the north side of the A8;
  - 3.2.2 Section Two runs from Haymarket to Randolph Place and will introduce one-way segregated cycleways on each side of Melville Street; and
  - 3.2.3 Section Three will connect George Street to Picardy Place via two-way segregated cycleways on St David Street, Queen Street and York Place.

- 3.3 The CCWEL project does not involve delivering changes in Charlotte Square, St Andrew Square or along George Street, which are being taken forward separately.

## 4. Main report

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- 4.1 Following the completion of preliminary designs, it was identified that early engagement with a suitably experienced contractor would be beneficial to draw on their expertise.
- 4.2 The Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement (the Framework) was used as it is particularly suited to projects requiring early engagement with a contractor. It clearly defines an initial pre-construction stage separated from the subsequent construction stage by a gateway review point and is already used by the Council on other projects.
- 4.3 BBCEL is the single supplier appointed to the Framework following an open procurement process, which included both quality and financial award criteria.
- 4.4 In September 2019, BBCEL were appointed to carry out the pre-construction phase for the CCWEL that included undertaking the site investigations required to verify the designs. The majority of these works are now complete.

### Construction Phase

- 4.5 In addition to the proposed CCWEL, the carriageway of the A8 is programmed for re-surfacing during the same period. It was therefore decided to include this work within the CCWEL programme, in order to minimise disruption to the general public during construction, and to achieve greater cost efficiency. The cost of carriageway resurfacing is £0.482m, which is separately funded from the Roads Renewal budget and is inclusive in the tender costs below.
- 4.6 During July 2020, an initial tender cost of £17.14m was submitted by BBCEL to construct the CCWEL project (and resurfacing work). Alongside other items, including utility diversion costs, this placed the projected costs above available budgets.
- 4.7 In response, the project team has carried out a number of targeted actions to successfully bring these costs down and within budget. These actions and the resulting cost reductions are detailed in the table below:

Item	Initial Tender Cost	Action	Current Cost	Reduction
CCWEL Build Cost and A8 re-surfacing	£17,142,657	Direct Challenge to rates; Quantities reconciliation; Value Engineering and Scope Reduction.	£12,974,273	£4,168,384
Public Utility Diversions	£1,659,940	Value engineering	£1,256,560	£403,380

- 4.8 The above results in a proposed contract cost for the delivery of the CCWEL project and A8 Resurfacing of £12.97m. Committee is asked to approve the appointment of BBCEL to carry out these works.

### **Site Supervision and Contract Administration**

- 4.9 It is proposed to appoint AECOM Engineering Ltd, who are the Principal Designer for the CCWEL project, to carry out Site Supervision requirements throughout the Construction Period, from the Scotland Excel framework at a value of £0.329m. This will also cover supervision and liaison for the associated public utilities works.
- 4.10 To facilitate the works, public utility diversionary works are required to be delivered by various statutory undertakers. The required public utility diversionary works are valued at £1.25m.

## **5. Next Steps**

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- 5.1 Subject to approval of the recommendations in this report, BBCEL would be formally appointed in October 2021 to undertake the construction of the CCWEL and AECOM for site supervision and contract administration.
- 5.2 It is anticipated that construction would commence in January 2022 and will take approximately 18 months.

## **6. Financial impact**

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- 6.1 The total anticipated estimate at completion for the CCWEL project is £19.38m which is principally funded from Sustrans (£12.85m), Scottish Government (£3.52m) and Council Capital Programme (£3.01m).
- 6.2 The total construction works value of £12.97m differs from the estimated value of £13.17m presented to the Transport and Environment Committee on 17 June 2021. At that time, the cost was based on estimated values for the savings achieved through the value engineering and other activities, on the basis of the contractor's previous tender price rates and did not include the resurfacing of the A8.
- 6.3 BBCEL's people costs, overheads and profit elements were competitively tendered in their appointment to the Framework and are defined therein. The remaining costs within their tender are typically made up of sub-contracted work packages which will be market tested, thus ensuring that competitive prices and value for money can be demonstrated.
- 6.4 It is anticipated that there may be some loss of parking income due to the reduction in the number of Pay and Display spaces in the West End during construction. However, a parking survey has shown that there are normally enough Pay & Display spaces in the surrounding area for all users, and during the construction period, active construction will only ever be taking place on a small section of the overall area.

- 6.5 In addition to the contract costs, the overall programme budget also includes an allocation of £1.93m against identified risks to both costs and to the programme.

## **7. Stakeholder/Community Impact**

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- 7.1 The project has involved significant stakeholder and public consultation and engagement. The results of an initial consultation exercise on the preliminary designs, which was carried out during the winter of 2015/16, have been published on the project's website.
- 7.2 Stakeholder consultation which has taken place as part of each Statutory Order's process is detailed in several reports to the Transport and Environment Committee.
- 7.3 Communication and engagement with the local and wider community will continue before, during and after completion of the construction.
- 7.4 As part of the engagement programme and to support the vibrancy and accessibility of the affected shopping streets during construction, an 'Open for Business Campaign' is planned to let people know about the arrangements during the construction period and keep people visiting.
- 7.5 A new website has recently been created for the CCWEL project and this will act as a central point of information. Regular updates from the Council and Balfour Beatty will be added to the site as construction progresses.
- 7.6 The project will also create a significant number of construction jobs, in turn creating opportunities for suppliers and for local businesses who will benefit from custom from people working on the project. As with all major Council construction contracts, there will be community benefits such as apprenticeships and training opportunities.
- 7.7 BBCEL has developed a Social Value Action Plan (SVAP) which outlines the delivery of their Community Benefits as part of this project. This is included in Appendix 2.
- 7.8 Balfour Beatty are a Pledge Partner of the 'Scottish Business Pledge' where one of the three elements committed to is to pay the real living wage to employees aged over 18, other than interns or apprentices, who are paid as per the Emerging Talent scales. Balfour Beatty features as a Pledge Partner on the website: [Pledge elements | Scottish Business Pledge](#)

## **8. Background reading/external references**

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- 8.1 Report to the Future Transport Working Group on 16 December 2016, '[City Centre West to East Cycle Link and Street Improvements Project](#)'.
- 8.2 Report to the Transport and Environment Committee on 30 August 2016; '[City Centre West to East Cycle Link and Street Improvements Project: Consultation Results and Potential Project Amendments](#)'.

- 8.3 Report to the Transport and Environment Committee on 3 June 2014; '[Development of Major Cycling and Walking Projects](#)'.
- 8.1 [Scape Procure Scotland Framework Agreement](#)
- 8.2 [Resilient Edinburgh Climate Change Adaptation Framework](#)
- 8.3 [Sustainable Design and Construction Policy Statement](#)
- 8.4 [Sustainable Edinburgh 2020](#)
- 8.5 [Sustainable Procurement Policy](#)
- 8.6 [Sustainable Travel Plan](#)
- 8.7 [Transport 2030 Vision](#)

## **9. Appendices**

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Appendix 1 Summary of Tendering and Evaluation Process.

Appendix 2 Balfour Beatty Social Value Action Plan

### Summary of Tendering and Tender Evaluation Process

Contract	City Centre East to West Link (CCWEL)
Contract Period	October 2021 – July 2023
Estimated Contract Value	£12,974,273
Procurement Route Chosen	Use of national framework (Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland')
Invitations to Tender Issued	One (Balfour Beatty are the single supplier on the Framework)
Tenders Returned	One
Tenders Fully Compliant	One
Recommended Supplier	Balfour Beatty Civil Engineering Limited
Primary Criteria	<p>Compliant tender in accordance with the requirements of the Framework, including the Framework requirement for market testing of all sub-contract packages to demonstrate value for money.</p> <p>The appointment of BBCEL to the Framework itself followed a competitive OJEU compliant tender process with a 60:40 Quality:Price ratio.</p>
Evaluation Team	The tender proposal was scrutinised by experienced ATINP officers, consultants from the Project and Programme management team (T&T) and engineers within the Principal Design team (AECOM) to ensure value for money.





**Social Value Action Plan – TOMs**

**Introduction**

Through the Scape Generation Two framework, as contractor on the City of Edinburgh Council’s CCWEL project, Balfour Beatty will deliver five ‘Themes Outcomes and Measures’ (TOMs) as set out in the Social Value Portal’s National Task Force, with an associated proxy value figure.

<http://socialvalueportal.com/national-toms>

During the pre-construction phase of the project, Scape recommends setting out a Social Value Action Plan to be agreed between the contractor and customer, which will maximise the social value delivery on the project. Following preliminary dialogue with our customer, City of Edinburgh Council, Balfour Beatty’s Community Benefit Advisor has researched the TOMs to identify five selections which reflect the Council’s sustainability objectives on this project, whilst also delivering value for the City of Edinburgh and the Regional City Deal.

The below table outlines our suggested TOMs for the CCWEL project.

NB – Based on discussions on the project, these are Balfour Beatty’s suggested TOMs, which at this stage are indicative only; we welcome feedback and any proposed changes from City of Edinburgh Council.

TOM number	National Theme no (NT)	Description	Outcome	Proxy Value (NOT REGION SPECIFIC)
1	NT1c	No. of local people (FTE) on contract for one year or the whole duration of the contract, whichever is shorter, employed through the supply chain as a result of your procurement requirements	No. people FTE	£30,353 (UK value – must include region specific proxy fig from SVP)
	Methodology	Joseph will work with his established contacts at Capital City Partnership to ensure equitable promotion of employment opportunities for residents. We will engage our supply chain at pre-contract stage to ensure that all employment opportunities are advertised through CCP.  Stakeholders: Callum Munro – Capital City Partnership, Molly Kerr – City of Edinburgh Council		
2	NT5	No. of 18+ y.o. employees (FTE) hired on the contract who are rehabilitating or ex-offenders as a result of a recruitment programme	No. people FTE	£23,119.00

	Methodology	Joseph will work with his established contacts at SPS and our supply chain to identify an employment opportunity for a young person recently liberated from prison.  Stakeholders: Mark Phillips – Access to Industry, Paul McCrudden – Scottish Prison Service Employability Team, Supply chain TBC		
3	NT18	Total amount (£) spent in LOCAL supply chain through the contract	£	£0.751 - multiplier for, CONSTRUCTION - needs to be customised by industry and local area
	Methodology	Joseph will work with Balfour Beatty’s commercial team, where possible, to instruct local subcontractors. If possible, owing to post COVID19 conditions, we will host a meet the buyer event to engage local subcontractors.  Stakeholders: Balfour Beatty commercial team / contract manager – Jim Brannan / Keith McDonald		
4	NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children	£ invested, inc staff time.	£1
	Methodology	Joseph will network with local community groups to identify opportunities for site team to support, we will work in partnership with our existing network including Cycle Scotland to promote wellbeing initiatives for residents.  Stakeholders: Ashley Erdman – The Bike Station/Cycle Scotland, neighbourhood groups TBC		
5	NT32	Car miles saved on the project (e.g. cycle to work programmes, public transport or carpooling programmes, etc.)	Per mile saved	£0.03
	Methodology	Work with site team / sub-contractors / City of Edinburgh Council to promote use of public transport / sustainable travel, record and share information on carbon reduction achieved through sustainable travel. Implement CEC sustainable public travel voucher scheme for operatives / visitors.  Stakeholders: City of Edinburgh Council – Active Travel Team / Supply chain TBC		

In addition to the delivery of the TOMs, which will fulfil the Scape Framework requirements, Balfour Beatty will deliver additional supplementary community benefits on the CCWEL project, which are outlined below.

**Supplementary Community Benefits**

Joseph Drugan, Community Benefits Advisor, will lead on the delivery of the Social Value Action Plan and co-ordinate supplementary community benefit delivery through Balfour Beatty’s project team and supply chain. Joseph will work with Callum Munro of Capital City Partnership to ensure an equitable spread of opportunity through the project for residents of the City of Edinburgh, ensuring compliance with Edinburgh and Midlothian City Deal. Joseph will monitor and record delivery of community benefits through the Cenefits reporting portal (used currently on Balfour Beatty’s North Bridge Refurbishment) – sharing progress with Molly Kerr at CEC.

We have aligned the proposed supplementary benefits to CEC’s CCWEL Workplace Engagement Strategy, focusing primarily on the ‘high’ intensity of engagement areas outlined in the strategy document. It should be noted that this is not an exhaustive list, indeed we aim to expand on this following further discussion with the wider CCWEL project team.

Stage	Description of supplementary benefit	Persons responsible	No of outcomes
Pre-construction (present – Jan 21)	Identify a social enterprise / catering business, categorised within the ‘high’ intensity of engagement category.	Joseph Drugan (BB), BB Commercial Lead TBC, Eileen Hewitt / CCWEL Active Travel team	TBC
Construction (post Jan 21)	Provision of advertising space for businesses impacted by CCWEL project.	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC)	TBC
Construction (post Jan 21)	Donation drives for local foodbank / charity	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC)	Bi-annual
Construction (post Jan 21)	Virtual Schools engagement – using online platform to engage local pupils in the project through live learning. Themes including civil engineering / project management etc.	Joseph Drugan (BB) with site team / BB Graduate Civil Engineer support	TBC

Construction (post Jan 21)	Support for CEC to install / maintain flower planters upon sections of route / engaging local community groups to take ownership of planters.	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC) / community groups TBC	TBC
Construction (post Jan 21)	Cycle safety awareness event, engaging CLOCS / FORS to promote cycle safety around plant and heavy fleet. This event will give members of the public the opportunity to sit in a cabin of a typical plant/fleet vehicle to raise awareness of blind spots / cycle safety	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC) /	TBC
Construction (post Jan 21)	'DR Bike' event - free cycle maintenance sessions for local residents	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC), Cycle Scotland	2 events
Construction (post Jan 21)	Cargo Bikes – for use during construction phase to reduce vehicle use	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC) / community groups TBC	TBC

# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

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

<b>Executive/routine</b>	Routine
<b>Wards</b>	All
<b>Council Commitments</b>	15, 16, 17 & 27

### 1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
  - 1.1.1 Approve the award of a Framework Agreement for:
    - 1.1.1.1 Lot 1 - Supply of Caithness Stone to A&D Sutherland Ltd;
    - 1.1.1.2 Lot 2 - Supply of Hard Sandstone to Tradstocks Ltd;
    - 1.1.1.3 Lot 3 - Supply of Granite to Tradstocks Ltd; and
      - Lot 4 - the Recycling of existing Whinstone and supply of new Whinstone to Tradstocks Ltd; and
  - 1.1.2 Note that the Framework Agreement duration is two years, with two optional 12-month extension periods, with a total maximum anticipated contract value of £2,400,000 (across all Lots).

**Paul Lawrence**

Executive Director of Place

Contact: Tony Booth, Principal Engineer, Transport Contracts and Design, Place Management

E-mail: [tony.booth@edinburgh.gov.uk](mailto:tony.booth@edinburgh.gov.uk) | Tel: 0131 469 3556

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

### 2. Executive Summary

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- 2.1 Following a tendering exercise, this report seeks approval from Finance and Resources Committee for the award of a multi-lot Framework Agreement for the supply of natural stone paving and road products. The total maximum anticipated contract value (for the full contract period including extensions, for all Lots) is £2,400,000.

### 3. Background

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- 3.1 The City of Edinburgh Council has a recurring requirement for natural stone paving and similar stone products. These products are required to support major capital works and ongoing routine revenue maintenance work. The new Framework Agreement will also support active travel and public realm enhancement projects within the UNESCO World Heritage site.
- 3.2 In order to supply the aforementioned requirement, a multi-lot Framework Agreement is proposed for the supply of a range of natural stone products.
- 3.3 To comply with World Heritage site requirements and the guidance within the Edinburgh Design Document, it was specified that the stone supplied must match existing materials as far as possible, possessing similar colouring and weathering properties.
- 3.4 The new Framework Agreement will streamline the approach to procuring and recycling stone materials and includes the provision of material storage, whereby stone will be quarried and stored for up to six weeks at the recommended supplier's premises prior to delivery directly to site, thus dovetailing with on-site project start dates and activities.

## 4. Main report

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- 4.1 On 2 July 2021, Commercial and Procurement Services (CPS) published a Contract Notice on the Public Contracts Scotland (PCS) portal, with a tender submission deadline of 2 August 2021.
- 4.2 In order to identify the most economically advantageous tender, submissions were assessed on the basis of:
- 4.2.1 Lots 1 to 3 - 70% Cost and 30% Quality; and
- 4.2.2 Lot 4 - 60% Cost and 40% Quality.
- 4.3 These cost / quality ratios were applied because the specification was sufficiently detailed in terms of product mandatory quality/standards, therefore a higher emphasis on quality was not considered necessary. A greater emphasis on quality was applied in Lot 4 considering the recycling service element.
- 4.4 A summary of the tender and evaluation process is attached at Appendix 1 of this report and the table below shows the weighted scores awarded to each tender following evaluation:

Lot	Tenderer	Cost	Quality	Total	Ranking
Lot 1	A&D Sutherland Ltd	70.00	15.75	85.75	1
	Company 2	51.98	11.63	63.61	2
Lot 2	Tradstocks Ltd	70.00	11.63	81.63	n/a
Lot 3	Tradstocks Ltd	70.00	11.63	81.63	n/a
Lot 4	Tradstocks Ltd	60.00	16.50	76.50	n/a

- 4.5 With regards to Lots 2, 3 and 4; although only one bid was received, the tenders were deemed to offer value for money (demonstrated by a comparison against the prices historically paid by the Council for these products and knowledge of the current market).

## 5. Next Steps

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- 5.1 Subject to approval, the Framework Agreement will commence on 1 November 2021 and will assist the Council in continuing to deliver capital projects and maintenance works as outlined in section 3.1 of this report.
- 5.2 The Contracts and Grants Management team (CAGM) and the appointed Contract Manager will ensure that effective contract management is delivered throughout the Framework Agreement lifecycle. A Contract Management and Handover Report, detailing the necessary steps and measures, will be produced and agreed. It is

envisaged that proactive contract management (to include robust monitoring of management information, key performance indicators and budget tracking) will assist in the delivery of an effective and efficient service for the Council throughout the duration of the Framework Agreement.

## **6. Financial impact**

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- 6.1 Although the Framework Agreement has a total maximum anticipated value of £2,400,000 (for the full contract period including extensions, across all Lots), it is envisaged that actual spend will be much lower, as, in practice, construction contractors often supply stone products as part of their works under the Council's Transport Infrastructure Framework Agreement. However, this maximum value estimate will permit sufficient flexibility to cater for the volume, type and scope of works to be potentially undertaken during the contract period. The majority of spend utilising this Framework Agreement will be met from the capital budget, with a very small amount assigned against the revenue budget to facilitate ongoing maintenance provision.
- 6.2 In Lot 1 the recommended contractor's bid represents an estimated total saving of 19% against an average of Lot 1 tendered costs. During the contract period the Contract Manager will be responsible for tracking "actual" savings, which will be dependent on contract usage.
- 6.3 For the purposes of the tender evaluation process, estimated volumes were provided within the tender documentation. Tendered prices were then applied to the estimated volumes to establish an estimated total cost for each tender.
- 6.4 Tenderers were advised that the volumes provided were estimates only and not a guarantee of actual volumes, as volumes will vary depending on the location and nature of any works.
- 6.5 To mitigate against market volatility tendered prices will be fixed for the first two years of the Framework Agreement and any subsequent price increase requests will be considered on an annual basis, restricted to increases in relevant price indices i.e. price indices which, in the reasonable opinion of the Council, relate to the cost of provision and/or manufacturing of the products supplied.
- 6.6 The new material storage provision will reduce the cost and risk associated with the Council having to store and subsequently deliver material to site and is in-line with the Council's Depot Rationalisation Strategy.
- 6.7 The costs associated with procuring the proposed Framework Agreement are estimated to be between £10,000 and £20,000.



## **7. Stakeholder / Community Impact**

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- 7.1 As the products being procured are of the same specification as those already in circulation, no contract specific stakeholder engagement or co-production was undertaken.
- 7.2 There are no negative impacts on carbon, adaption to climate change or sustainable development arising directly from this report. Likewise, it is not envisaged that the Framework Agreement will:
- 7.1.1 Impact on the community; or
  - 7.1.2 Have any health and safety, governance, compliance or regulatory implications.
- 7.3 The recycling provision within Lot 4 will allow recovered stone to be refurbished and reused thus generating savings on material costs whilst fully supporting the Council's sustainability commitment.
- 7.4 The award of this Framework Agreement will contribute to the realisation of Council Commitment numbers 15 (to "protect Edinburgh World Heritage Status and make sure developments maintain the vibrancy of our city in terms of placemaking, design and diversity of use"), 16 (to "Invest £100m in roads and pavements over the next 5 years. This will include road and pavement maintenance, installing more pedestrian crossings, increasing the number of dropped kerbs and dedicate safer foot and cycle paths as well as introducing more pedestrian zones"), 17 (to "guarantee 10% of the transport budget on improving cycling in the city") and 27 (to "tackle pavement parking and reduce street clutter to improve accessibility").
- 7.5 The recommended suppliers have committed to provide community benefits. Examples of community benefits offered include quarry site visits for school pupils and participation in schools' career fayres. Community benefit delivery will be monitored throughout the life of the Framework Agreement.
- 7.6 The recommended suppliers have confirmed that they intend pay workers (including any agency or sub-contractor workers) the Real Living Wage.
- 7.7 The procurement process followed is compliant with all relevant regulations as well as the Council's Contract Standing Orders. The risk of legal challenge relating to this procurement has therefore been minimised.

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	Supply of Natural Stone Paving and Road Products Ref: CT2800 Lot 1 - Supply of Caithness Stone Lot 2 - Supply of Hard Sandstone Lot 3 - Supply of Granite Lot 4 - Recycling of existing Whinstone and supply of new Whinstone	
<b>Contract period (including any extensions)</b>	1 November 2021 to 31 October 2023 with two optional 12-month extensions (2 + 1 + 1)	
<b>Maximum Anticipated Contract Value (including any extensions)</b>	£2,400,000	
<b>Procurement Route Chosen</b>	Open procedure procurement process advertised on the PCS portal.	
<b>Tenders Returned</b>	Lot 1	2
	Lot 2	1
	Lot 3	1
	Lot 4	1
<b>Recommended Suppliers</b>	Lot 1	A&D Sutherland Ltd
	Lot 2	Tradstocks Ltd
	Lot 3	Tradstocks Ltd
	Lot 4	Tradstocks Ltd
<b>Cost / Quality Ratio Lots 1 to 3</b>	Cost 70%	Quality 30%
<b>Cost / Quality Ratio Rationale Lots 1 to 3</b>	This cost / quality ratio was applied because the specification was sufficiently detailed in terms of product mandatory quality/standards, therefore a higher emphasis on quality was not considered necessary.	
<b>Evaluation Criteria and Weightings Lots 1 to 3</b>	<b>Quality Criteria</b>	<b>Weighting</b>
	1. Delivery of the Contract	25%
	2. Complaints Procedure	15%
	3. Meeting KPIs & Targets	15%

	4. Quality Assurance	10%
	5. The Environment	10%
	6. Health & Safety	10%
	7. Business Continuity	5%
	8. Fair Work Practices	5%
	9. Community Benefits	5%
<b>Cost / Quality Ratio Lot 4</b>	Cost 60%	Quality 40%
<b>Cost / Quality Ratio Rationale Lot 4</b>	This cost / quality ratio was applied because the specification was sufficiently detailed in terms of product mandatory quality/standards, therefore a higher emphasis on quality was not considered necessary. A greater emphasis on quality was applied in this Lot considering the recycling service element.	
<b>Evaluation Criteria and Weightings Lot 4</b>	<b>Quality Criteria</b>	<b>Weighting</b>
	1. Delivery of the Contract	20%
	2. Recycling of Stone Products	15%
	3. Meeting KPIs & Targets	10%
	4. Quality Assurance	10%
	5. The Environment	10%
	6. Health & Safety	10%
	7. Complaints Procedure	10%
	8. Business Continuity	5%
	9. Fair Work Practices	5%
	10. Community Benefits	5%
<b>Evaluation Team</b>	Three officers from the Transport Contracts and Design team	

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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Contract Award – Supply of Wheeled Bins and Kerbside Boxes

<b>Executive/routine</b>	Routine
<b>Wards</b>	All
<b>Council Commitments:</b>	18, 25

### 1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves the award of contracts for the:
- 1.1.1 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;
  - 1.1.3 Supply of Food Waste Caddies for Kitchen Waste (Lot 3) to Straight Manufacturing Ltd;
  - 1.1.4 Supply of Kerbside Boxes (Lot 4) to Straight Manufacturing Ltd; and to
  - 1.1.5 Note that the initial contracted duration (for all Lots) is 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) is £1,823,000.

#### Paul Lawrence

Executive Director of Place

Contact: Lesley Sugden, Contract Manager, Waste and Cleansing Services

E-mail: [lesley.sugden@edinburgh.gov.uk](mailto:lesley.sugden@edinburgh.gov.uk) | Tel: 0131 469 5764

## Contract Award – Supply of Wheeled Bins and Kerbside Boxes

### 2. Executive Summary

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- 2.1 Following a tendering exercise, this report seeks approval from the Finance and Resources Committee for the award of four contracts for the supply of kerbside bins. The total value of these contracts is expected to be £1,823,000 over the four-year duration (including extensions).

### 3. Background

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- 3.1 To meet its obligations under the Environmental Protection Act 1990 and the Waste (Scotland) Regulations 2012, the Council provides a variety of bins and containers for the collection of domestic waste and for recycling throughout the city.
- 3.2 Every kerbside property has at least two two-wheeled bins as well as food recycling caddies and kerbside boxes for glass. Two-wheeled bins for communal food waste collection and glass collection are also required (for business as usual activity and for the Communal Bin Review project).
- 3.3 In order to provide the aforementioned bins, four contracts require to be put in place for the supply of a range of items as detailed within the table at section 4.3 of this report.

### 4. Main report

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- 4.1 Commercial and Procurement Services (CPS) conducted a mini competition utilising the Scotland Excel (SXL) Framework Agreement for Recycle and Refuse Containers.
- 4.2 Prior to their appointment to the SXL Framework Agreement, all suppliers were pre-vetted to ensure that they satisfied the requirements necessary for the delivery of the goods and services, including consideration of financial probity (relating to insurance and financial standing), health and safety and environmental management.

4.3 With a view to making the opportunity accessible to as many SXL Framework Agreement suppliers as possible, the contract opportunity was split into the following Lots:

Lot	Description
Lot 1 - Supply of Household 2-wheeled bins and spare parts	1A. Two-wheeled Bin – Grey 140 litres for residual waste
	1B. Two-wheeled Bin - Green 140 litres for mixed recycling
	1C. Two-wheeled Bin - Grey 240 litres for residual waste
	1D. Two-wheeled Bin - Green 240 litres for mixed recycling
	1E. Two-wheeled Bin - Brown 240 litres for garden waste
	1F. Two-wheeled Bin - Grey 360 litres for residual waste
	1G. Two-wheeled Bin - Green 360 litres for mixed recycling
Lot 2 - Supply of Communal 2-wheeled bins and spare parts	2A. Two-wheeled Bin – Black 240 litres for food waste
	2B. Two-wheeled Bin - Purple 360 litres for glass
Lot 3 - Supply of Kitchen Waste Caddies	3A. Food Waste Caddy - 5 litres kitchen food waste caddy
	3B. Food Waste Caddy - 23 litres outdoor food waste caddy
Lot 4 - Supply of Kerbside Boxes	4A. 44 Litre Kerbside Box blue for segregated recyclable materials
	4B. 44 Kerbside Box red for mixed recycling

4.4 On 10 June 2021, CPS issued a Mini Competition Invitation through the Public Contracts Scotland (PCS) portal, to the potential suppliers named on the relevant Lots of the aforementioned SXL Framework Agreement, with a tender submission deadline of 6 July 2021.

4.5 Tenderers were invited to bid for each lot and were advised that they would be required to supply any Lot bid for in its entirety.

4.6 In order to identify the most economically advantageous tender(s) submissions were assessed on the basis of 20% Quality and 80% Cost. This Quality/Cost ratio was applied because the service specification was sufficiently detailed, referencing regulated industry standards that all suppliers were expected to meet, therefore a higher emphasis on quality was not considered necessary.

4.7 A summary of the tender and evaluation process is attached at Appendix 1 of this report and the table below shows the weighted scores awarded to each tender following evaluation:

Lot	Tenderer	Cost (Max. 80%)	Quality (Max.20%)	Total	Ranking
Lot 1	One51 ES Plastics (UK) T/A MGB Plastics	80.00	15.75	95.75	1
	Company 2	77.33	14.00	91.33	2
Lot 2	Craemer UK Ltd	80.00	12.50	92.50	n/a
Lot 3	Straight Manufacturing Ltd	80.00	15.75	95.75	n/a
Lot 4	Straight Manufacturing Ltd	80.00	17.25	97.25	n/a

4.8 With regards to Lots 2, 3 and 4, although only one bid was received the tenders were deemed to offer value for money (demonstrated by a comparison against the prices recently paid for these items).

4.9 The table below provides a summary of the manufacturing base and lead time for the production and delivery arrangements associated with each Lot. The supplier of each Lot has a manufacturing base in the United Kingdom and have confirmed that they can meet the lead in times set out in the tender specification (for delivery within six weeks from the date the order is received).

#### **Manufacturing base and lead in times**

Lots	Manufacturing Base	Lead in time
Lot 1: Wheelie bins Contractor: MGB	United Kingdom (UK): the only bin supplier with their primary manufacturing facility is based centrally within the UK	Product lead time from receipt of Purchase Order to delivery of goods will be 4-5 weeks.
Lot 2: Supply of 2-wheeled bins and spare parts Contractor: Craemer	UK: Two UK production facilities allow storage in excess of 150,000 plastic wheeled bins of various types and sizes. Two plants based in Germany.	Lead time is 4-5 weeks from Purchase Order confirmation.
Lot 3: Supply of Kitchen Waste Caddies Contractor: Straight	UK: all the containers supplied to UK Councils are manufactured and quality assured to the highest standards from a full UK base.	Product lead time from receipt of Purchase Order to delivery of goods will be 4-5 weeks
Lot 4: Kerbside Boxes Contractor: Straight	UK: all the containers supplied to UK councils are manufactured and quality assured to the highest standards from a full UK base.	Product lead time from receipt of Purchase Order to delivery of goods will be 4-5 weeks



## 5. Next Steps

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- 5.1 Subject to Committee approval, these contracts will commence on 25 October 2021 and will assist the Council in continuing to meet its statutory obligations with regards to the collection, treatment and disposal of waste and recycling materials.
- 5.2 The Contracts and Grants Management team and the Contract Manager will ensure that effective contract management is delivered throughout the contract lifecycle. A Contract Management and Handover Report, detailing the necessary steps and measures, will be produced and agreed. It is envisaged that proactive contract management (to include robust monitoring of all appropriate management information, key performance indicators and budget/savings tracking) will assist in the delivery of an effective and efficient service for the City of Edinburgh throughout the duration of the contracts.

## 6. Financial impact

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- 6.1 The maximum anticipated contract value (total for all lots) is estimated at £1,823,000 over the maximum contract period (including potential extensions) of four years. This total includes a 25% uplift to allow for the potential variation in usage of the contracts which may occur during the contract period. The cost will be met from the Waste and Cleansing budget.
- 6.2 To calculate the value of the contracts and estimated savings, estimated volumes were provided within the tender documentation.
- 6.3 Tendered prices were applied to the estimated volumes to establish an estimated total cost for each tender.
- 6.4 Tenderers were advised that the volumes provided were anticipated estimates only and not a guarantee of actual volumes, which may vary.
- 6.5 Prices tendered by the recommended suppliers represent an estimated overall saving of £55,878 across all of the Lots assuming the contracts run for four years.
- 6.6 Tendered prices will be fixed for the first year of the contracts and any subsequent price increase requests will be considered on an annual basis, restricted to increases in relevant price indices i.e. price indices which, in the reasonable opinion of the Council, relate to the cost of provision and/or manufacturing of the goods supplied.
- 6.7 During the contract period the Contract Manager will be responsible for the tracking “actual” savings, which will be dependent on contract usage.
- 6.8 The costs associated with procuring the proposed contracts are estimated to be between £10,000 and £20,000.

## 7. Stakeholder / Community Impact

- 7.1 As the items being procured are the same specification as those already in circulation, no contract specific stakeholder engagement or co-production was undertaken. However, as detailed within the Business Bulletin at Transport and Environment Committee on [12 November 2020](#), Changeworks and the Council's Waste and Cleansing Team collaborated to deliver a series of on-street community engagement events across Edinburgh to inform the public about planned improvements to waste and recycling services as part of the Council's Communal Bin Review project.
- 7.2 The project outcome will contribute to the minimisation of waste and consumption (as per the Council's Waste and Recycling Strategy). Augmentation of the existing recycling service is expected to maintain/increase the amount of waste recycled, and reduce the amount sent for energy recovery or other disposal, which contributes to a reduction in carbon emissions and improvements to resource use at a global level.
- 7.3 The award of these contracts will contribute to the realisation of Council Commitments numbers 18 and 25.
- 7.4 All of the recommended suppliers have committed to provide Community Benefits. Examples of community benefits offered include paid work experience placements and the provision of mock interviews. Community benefit delivery will be monitored throughout the life of the contracts.
- 7.5 All of recommended suppliers have also confirmed that they intend pay workers (including any agency or sub-contractor workers) the Real Living Wage.
- 7.6 There are no negative impacts on carbon, adaption to climate change and sustainable development arising directly from this report. Improvement in the quality of the waste and cleansing services will contribute towards reducing the amount of waste disposed of to landfill or energy recovery, increasing the amount of recycling and improving the quality of Edinburgh's local environment. In addition, increasing the amount of waste recycled is expected to support delivery of the Council's carbon reduction target.
- 7.7 The plastic composition of the units offered by the preferred bidders are as follows:

Lot	Bin material composition and Axle (for Lots 1 & 2 only)	End of Life Recyclability	Recommendation
Lot 1	<ul style="list-style-type: none"> <li>The plastic composition is HDPE pellets which can be either be 100% virgin material or 100% recycled/re-engineered plastic</li> <li>Solid or hollow axle available</li> </ul>	100%	<ul style="list-style-type: none"> <li>100% recycled/re-engineered plastic</li> <li>Hollow axles as an alternative to solid steel axles thereby reducing the amount of new resources required in production and</li> </ul>

			reducing carbon footprint.
Lot 2	<ul style="list-style-type: none"> <li>Black - the plastic composition is up to 50% compound recycled HDPE polymer, depending upon material availability. The other 50% is virgin HDPE.</li> <li>Purple bins the plastic composition is 100% virgin HDPE</li> <li>Solid or hollow axle available</li> </ul>	100%	<ul style="list-style-type: none"> <li>No option offered on plastic composition</li> <li>Hollow axles as an alternative to solid steel axles thereby reducing the amount of new resources required in production and reducing carbon footprint.</li> </ul>
Lot 3	<ul style="list-style-type: none"> <li>The plastic composition is PP pellets which are 100% recycled/re-engineered or 100% virgin material</li> </ul>	100%	<ul style="list-style-type: none"> <li>100% recycled/re-engineered plastic</li> </ul>
Lot 4	<ul style="list-style-type: none"> <li>The plastic composition is PP pellets which are 100% recycled/re-engineered or 100% virgin material</li> </ul>	100%	<ul style="list-style-type: none"> <li>100% recycled/re-engineered plastic</li> </ul>

7.8 The procurement process followed is compliant with all relevant regulations as well as the Council's Contract Standing Orders. The risk of legal challenge relating to this procurement has therefore been minimised.

## 8. Background reading/external references

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8.1 None.

## 9. Appendices

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9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Process.

## Appendix 1 - Summary of Tendering and Tender Evaluation Process

<b>Contract</b>	Supply of Kerbside Bins Ref: CT2806 Lot 1 - Supply of Household 2-wheeled bins and spare parts Lot 2 - Supply of Communal 2-wheeled bins and spare parts Lot 3 - Supply of Kitchen Waste Caddies Lot 4 - Supply of Kerbside Boxes	
<b>Contract period (including any extensions)</b>	25 October 2021 to 24 October 2023 with two optional twelve-month extensions (2 + 1 + 1)	
<b>Maximum Anticipated Contract Value (including any extensions)</b>	£1,823,000	
<b>Procurement Route Chosen</b>	Mini Competition utilising the Scotland Excel Framework Agreement for Recycle and Refuse Containers (Ref: 0117)	
<b>Tenders Returned</b>	Lot 1	2
	Lot 2	1
	Lot 3	1
	Lot 4	1
<b>Recommended Suppliers</b>	Lot 1	One51 ES Plastics (UK) T/A MGB Plastics
	Lot 2	Craemer UK Ltd
	Lot 3	Straight Manufacturing Ltd
	Lot 4	Straight Manufacturing Ltd
<b>Price / Quality Ratio</b>	Price 80%	Quality 20%
<b>Price / Quality Ratio Rationale</b>	Ratio established by Scotland Excel at Framework level	
<b>Evaluation Criteria and Weightings (All Lots)</b>	<b>Quality Criteria</b>	<b>Weighting</b>
	Product Offered (including technical specification)	30%
	Product Quality & Warranty (including replacement policy)	25%
	Product Lead Time & Delivery (including potential Brexit	25%

	Impact on delivery and related contingency)	
	Contract Management	10%
	Community Benefits	10%
<b>Evaluation Team</b>	Three officers from Waste & Cleansing Services	

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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Former Royal High School, Regent Road, Edinburgh – Proposed Disposal

Executive/routine Wards Council Commitments	Executive Ward 9 – City Centre <a href="#">2</a>
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### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee approves 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 this report and on other terms and conditions to be agreed by the Executive Director of Place.

#### Paul Lawrence

Executive Director of Place

Contact: Graeme McGartland, Investments Senior Manager,

Sustainable Development, Place Directorate

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

## Former Royal High School, Regent Road, Edinburgh – Proposed Disposal

### 2. Executive Summary

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- 2.1 [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.
- 2.2 The property was placed on the market over the summer months with a closing date of 3 September 2021 when two bids were received.
- 2.3 This report provides an assessment of the two bids and makes a recommendation as to the preferred bidder.

### 3. Background

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- 3.1 On the [31 March 2009](#), Finance and Resources Committee approved the strategy for the redevelopment of the former Royal High School (RHS) whereby a competition was launched in compliance with the EU competitive dialogue procurement process. The aim was to attract proposals for the use, design, funding and commercial potential of the redevelopment opportunity. At that time, the driving force behind the project being a procurement exercise was the former 'String of Pearls' wider strategy that subdivided blocks, from the West end of Princes Street to the Royal High School, with the aspiration of attracting private investment and influencing planning outcomes.
- 3.2 On [16 March 2010](#), Finance and Resources Committee approved the appointment of Duddingston House Properties (DHP), as preferred bidder in partnering the Council to deliver a sustainable development and business solution for the RHS site.
- 3.3 The Council entered into a conditional contract in 2014, for the development and lease of the former Royal High School. The contract was suspensive on various matters, one of which was obtaining satisfactory planning permission for the redevelopment into a hotel, and that permission being past the point at which it could be subject to a judicial review.
- 3.4 Two applications were submitted for the hotel development, which were subsequently refused by the Development Management Sub Committee. Appeals



were lodged against the refused applications which were also subsequently refused with notification issued on 27 October 2020.

3.5 On [10 December 2020](#), the Council approved a Green Group motion (as amended by the Coalition), which stated that Council:

- (1) *Notes that the former Royal High school building in one of the most significant examples of Greek Revival neo-classical buildings in the world, but that it was vacated in 1968 when the school moved to Barton and has lacked a permanent use since then;*
- (2) *Notes that the city council granted Duddingston House Properties a 125-year ground lease on the building following an open competition in 2010, but that this lease was conditional on DHP securing planning and listed building consent for their proposals;*
- (3) *Notes that the planning application by Duddingston House Properties and Urbanist Hotels for the former Royal High School was rejected unanimously by the Council's Development Management Sub-Committee in 2017 and the appeal to Scottish Ministers was dismissed on 27 October 2020: as contrary to the Local Development Plan overall, contrary to 11 LDP policies and "that the Proposed Development would not preserve the former Royal High School listed building or its setting and would neither preserve nor enhance the character and appearance of the Edinburgh New Town Conservation Area.*
- (4) *Therefore, agrees to receive a report to the January meeting of the Finance and Resource Committee that considers the options available to the Council in terms of progressing a viable future use of this important building. As part of the report consideration should be given to a) ensuring options for the building that would allow for public access b) any short term uses of the building.*

3.6 On 21 January 2021, Committee instructed the Executive Director of Resources to resile from the previous conditional contract and re market the property.

## **4. Main report**

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4.1 The property was placed on the market in early July on the basis of a long lease in return for an initial premium. Several parties noted interest with viewings conducted during July and August. A closing date was set for 3 September when two bids were received.

4.2 The marketing particulars set out the criteria against which each bid would be assessed, and included a detailed Planning Statement to guide development proposals:

- 4.2.1 Demonstration of how the proposed use takes cognisance of the information provided in the Planning Statement and the delivery of a long-term sustainable use for the property (50% weighting);

4.2.2 Demonstration of how public access will interact with the proposed use (35% weighting); and

4.2.3 Details of the proposed financial package to include initial premium based on a ground lease of 125 years, proof of funding and proposed timescales for obtaining relevant consents (15% weighting).

4.3 A summary of the proposals received is set out below:

	Royal High School Preservation Trust (RHSPT)	Bid 2
Proposed Use	Creation of a National School of Music and home for St Mary's Music School	Development of a Care Village
Lease Premium/ Term	£1.5m then £1 for 125 years. RHSPT will lease from CEC then sub lease to National School of Music, also at £1 per annum	No premium, 8% of annual net turnover with minimum fixed payment thereafter
Planning	Intend to seek revisions to existing consent. The offer is not conditional on a revised consent being in place	Not conditional on planning
Funding	£55 million committed funds - £45m from Dunard fund and £10m endowment	£1m secured to carry out legal, design, environmental impact and care assessment study. Thereafter NewCo established and development finance raised.
Timescales for acquisition and development	Completion of legals 8 weeks, site works commence 14 to 18 months, construction period 30 months	34 months from signing of lease. 24 month construction period

- 4.4 An assessment panel consisting of officers from Estates, Legal Services and Commercial Development and Investment scored each of the bids. Each bid was scored on the basis of 0-4 as outlined in the attached marketing particulars. Planning officers provided an overview of the two proposals received. The outcome of the assessment exercise is shown below:

Bid	Weighted Scoring (max 4)
Royal High School Preservation Trust	2.80
Bid 2	1.35

### **Royal High School Preservation Trust (RHSPT)**

- 4.5 The guidance provided to bidders sought details of proposals. A comprehensive suite of information has been provided by RHSPT in support of the bid. A summary of the proposal is attached at Appendix 1.
- 4.6 The proposals are substantially the same as the scheme that has an existing planning permission with some minor changes to it. The planning permission proposal was found to have acceptable impacts on the built and natural heritage of the building and surrounding site. It had acceptable transport and environmental impacts as well as acceptable impacts on neighbours' amenity.
- 4.7 As the details provided with the bid are very similar to the existing planning permission scheme, there can be confidence that if a fresh planning application is made for the music school, there is a strong probability that such an application will be supported, subject to a decision by the Development Management Sub-Committee. If there were any issue in progressing such an application, the RHSPT could rely on the previously granted proposal and implement that.
- 4.8 Public access that will be possible for the purposes of concerts will allow the public to visit and understand the historic and cultural significance of the building. However, it was noted by the scoring panel that this access would be restricted to those attending a performance and arguably does not provide the level of access envisaged by the Council.
- 4.9 RHSPT estimate the cost of the proposals to be £45m with an additional endowment of £10m. Proof of funding has been provided.
- 4.10 The proposals would deliver a capital receipt of £1.5m to the Council in return for a 125-year lease of the property at £1 per annum.

### **Bid 2**

- 4.11 As a comparison to the RHSPT bid the second offer did not provide the same level of supporting documentation and lacked the detail to enable an understanding of its impacts.
- 4.12 While the use may be one that could be accommodated on the site, the main issue will depend on the level of development proposed. The site and the buildings are challenging to develop given their form and internal arrangements. It is likely that to make the building accessible from a functional perspective there would need to be considerable alterations. The use is likely to have acceptable impacts on

neighbours' amenity and in relation to transport, but without being able to see the detail, it is not possible make an assessment to allow confidence that a proposal would emerge that will be supported as an application for planning permission.

- 4.13 There is not a specific costed scheme and the funding currently in place covers the initial part of the feasibility work only. The scheme does articulate the potential for public access to the complex to use the facilities available for residents and visitors.
- 4.14 The proposal has provided only broad information on the potential financial commitment to the Council. There are no specific figures on which to place a direct comparison between bids.

### **Summary**

- 4.15 Of the two bids received, the information provided by RHSPT provides a greater level of certainty, at this stage, around the potential deliverability of the proposal. The scheme is based on amendments to an existing planning consent; funding for the development has been demonstrated; and the proposed use is acceptable, protecting its prominent position and allowing future public access. The establishment of a National School of Music would be of strategic significance to the city.
- 4.16 The Care Village concept, whilst likely acceptable as a future use of the property, does not provide sufficient information to offset the potential risks and therefore, by comparison, offers a higher risk profile of the two bids received. Whilst the financial offering could, in principle, offer a greater return to the Council over the longer term, it is considered that the risks attached are too significant.
- 4.17 In conclusion, it is recommended that the proposal from RHSPT is selected as the preferred option for the site.

## **5. Next Steps**

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- 5.1 Subject to Committee approval, Legal Services will be instructed to conclude the conditional long lease contract with RHSPT.
- 5.2 Whilst proceeding legal documentation a dialogue will commence with RHSPT to explore what the proposal might offer to music participation and the arts generally across the city. This will include:
  - 5.2.1 Early engagement with the Council's Culture and Education services on approaches to partnership working;
  - 5.2.2 Co-development of a strategic music and learning partnership and integrated music education strategy for the city;
  - 5.2.3 Explore shared resources such as a Music, Learning and Equity Development Officer post between the new organisation/venue and the Council; and
  - 5.2.4 Ensure the centre is accessible to Edinburgh schools and adult amateur/ community choirs and orchestras.

## **6. Financial impact**

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- 6.1 The Council would receive a premium of £1.5m at the start of the 125 year ground lease.

## **7. Stakeholder/Community Impact**

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

## **8. Background reading/external references**

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- 8.1 Not applicable.

## **9. Appendices**

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- 9.1 Appendix 1 – Marketing Particulars.
- 9.2 Appendix 2 – Royal High School Preservation Trust Summary Document.

# Redevelopment Opportunity

## Former Royal High School

### 5-7 Regent Road, Edinburgh, EH7 5BL



#### Location

The former Royal High School is situated in a prominent position on Regent Terrace, to the east of Edinburgh City Centre. The property is set against the backdrop of Calton Hill and provides excellent views over the Old Town towards Edinburgh Castle. The property is situated within a World Heritage Site and New Town Conservation area.

The surrounding area is mixed in character with St Andrews House a short distance to the south west with terraced residential properties forming Regent Terrace to the east. The City Centre is within a short walking distance with Edinburgh Waverley Station, St Andrews Bus Station and the tram network in proximity.

The St James Development, which will transform the retail provision within Edinburgh, is a short distance to the north west. The main City Centre attractions including Edinburgh Castle, Princes Street Gardens, the Royal Mile, and Holyrood Palace are all within easy reach.

## Description

The property is situated on an elongated site extending to approximately 1.16 hectares (2.87 acres). The former Royal High School is a Category A listed site which was originally developed between 1826 and 1829 to a neo-classical Greek Doric design by Thomas Hamilton. Further additions have been made over time, as the use of the property adapted from a school to office use. There are seven buildings on the site which can be summarised as follows:

Building	Description	Approx. GIA sq m	Approx. GIA sq ft
1 – The Hamilton Building	Main school building over 3 levels	2,289	24,638
2 – Classroom Building	Single storey block	226	2,433
3 – Dining block	Single storey addition on east of site	325	3,498
4 – Gymnasium Block	3 storey addition in north east corner	1,304	14,036
5 – Pavilion (west)	Ground and basement accommodation	108	1,163
6 – Pavilion (east)	Ground and basement accommodation	140	1,507
7 – Gatehouse	Single storey lodge building	80	861
	Total	4,472	48,136

Floor plans of the individual buildings will be made available to interested parties. A topographical site plan is also available.

## Services

The property is connected to mains electricity, gas and water network, although as the building has been vacant for some time, both gas and water have been disconnected to most of the buildings.

## Planning

A Planning Statement has been prepared to provide information for interested parties.

The Council are seeking development proposals which ensure a sustainable long term future for the Royal High School. Any proposal needs to be of the highest architectural quality.

Any development proposals should take account of the conclusions drawn by the Scottish Ministers following a public Inquiry into the development of the site for a hotel. Details of the relevant documentation are included in the Planning Statement.

## EPC

Copies of the EPC is available upon request.

## Rateable Value

The combined Rateable Value effective from 1 April 2017 is £350,000. Further information can be obtained from <https://www.saa.gov.uk/>

## Terms

The property will be disposed by way of a long ground lease (containing reservations, conditions and obligations, and/or title conditions to protect the Council's position) at a nominal annual rent, in return for an initial premium.

## Offer Guidance

Offers must be submitted by the closing date. For the Council to fully assess and evaluate offers, proposals must include:

- (a) Details of proposed use – including proposed layout drawings and schematics;
- (b) Demonstration of how the proposed use will deliver a long term sustainable use for the property taking cognisance of the information provided in the Planning Statement;
- (c) Demonstration of how public access will interact with the proposed use;
- (d) Initial premium level, based on a 125 year lease term;
- (e) Proposed timescale for acquisition/development;
- (f) Conditionality of any proposal;
- (g) Confirmation of funding.

## VAT

The Council have not opted to tax the Property.

## Contact/Viewing

All viewings will be strictly by appointment only. For more information on this property, or to arrange a viewing, please contact: Graeme McGartland email [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) or Craig Dalgliesh, email [craig.dalgliesh@edinburgh.gov.uk](mailto:craig.dalgliesh@edinburgh.gov.uk)

## Details for submitting offers

Offers must be submitted in accordance with the instructions provided and failure to do so will result in non-acceptance.

- 1 Notes of interest should be registered with the Council's surveyor using the contact details above in order that interested parties may be advised of a closing date.
- 2 When a closing date is set all offers must be received by 12 Noon on the closing date. The Council will not accept late offers under any circumstances.
3. Proposals must be sent by email to [commercial.property@edinburgh.gov.uk](mailto:commercial.property@edinburgh.gov.uk). Hand delivered proposals /proposals by post will not be accepted.
4. The subject line of the email should state 'Closing Date Offer – Former Royal High School' to ensure it is recorded formally. No emails will be read until the closing date has passed. As part of our normal processes, a receipt will be issued by return. You are responsible for confirming the offer has been safely received, and we recommend doing so a minimum of 24 hours prior to the closing date.
5. Offers must be submitted in accordance with the above instructions and failure to do so will result in offers not being accepted.
6. The Council does not bind itself to accept the highest or any offer.
7. Depending on the level and quality of offers received, the Council may shortlist the bidders and thereafter invite those selected to submit a final offer at a second closing date. In this instance development proposals selected for consideration will be expected to fully engagement in a formal [pre-application process](#) with the Planning Service.



### Assessment of Offers

Each proposal will be assessed by a panel of senior Council Officers with representation from Estates, Economic Development and Legal Services. An initial assessment of proposals in the context of the Planning Statement will also be undertaken. Thereafter a recommendation as to a preferred bidder will be made to the Finance and Resources Committee. The report to the Committee will outline the assessment made for each proposal to determine which delivers best value to the Council against the following criteria, with the scoring definitions set out below:-

- 1) Demonstration of how the proposed use takes cognisance of the information provided in the Planning Statement and the delivery of a long term sustainable use for the property (50% weighting);
- 2) Demonstration of how public access will interact with the proposed use (35% weighting);
- 3) Details of the proposed financial package to include initial premium based on a ground lease of 125 years, proof of funding and proposed timescales for obtaining relevant consents (15% weighting);

Assessment	Score	Interpretation
Excellent	4	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.
Good	3	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
Acceptable	2	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
Poor	1	Response is partially relevant but generally poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
Unacceptable	0	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.

**PLEASE SEE PLANNING STATEMENT BELOW**

## **Royal High School – Planning Statement**

### **Historic Significance of the Site**

The former school and the buildings are category 'A' listed (LB Ref LB27987, 19 April 1966). The principal building was designed in the Greek revival style by Thomas Hamilton in 1825 - 1829. It is widely regarded as an exemplar of this type of architecture. It is composed of a powerful symmetrical grouping of the principal Doric temple-pavilion, with flanking colonnades and subsidiary temples. This is known as the Hamilton building.

The listed building group also includes a gate lodge on the north west side of the site (built in 1885) and a classical style, classroom block (built in 1894) to the north east of the main building. There are also other buildings within the site that are listed because they were built before 1948 and are within the curtilage of a listed building. These include a block on the northern boundary to the north west of Hamilton's building and a block to the south of the 1894 classroom block.

The public park on Calton Hill, lies to the north of the site. The park is a Site of Special Scientific Interest and is included in the Historic Scotland Inventory of Gardens Designed Landscapes. It is identified as a Special Landscape Area in the Edinburgh Local Development Plan. It contains a collection of category A listed buildings, including:

- National Monument (LB Ref LB27820, 19 April 1966);
- Nelson's Monument (LB ref 27823, 19 April 1966);
- Dugald Stewart Monument (LB ref 27835, 19 April 1966);
- Playfair's Monument (LB ref 27826, 19 April 1966); and
- The City Observatory (LB ref 27603, 19 April 1966).

The Robert Burns monument, designed by Hamilton is category A listed (LB ref 27801, 19 April 1966) and is located on the opposite side of Regent Road to the east of the Royal High School. The category A listed 1 Regent Terrace (LB ref 29618, 16 December 1965) is situated immediately to the east of the site. With the other buildings in Regent Terrace, it is part of the 'Calton A' group of listed buildings. The category A listed, St Andrews House (LB ref 27756, 14 December 1970) is located to the south east, on the opposite side of Regent Road. There is a category B listed 'K6' telephone box (LB ref 49151, 19 March 2003) on the northern footway of Regent Road, just to the west of the site.

The site is within 800m of Holyrood Park, which is a royal park and a scheduled monument, (SM13032, 7 February 2013) It is also within 800m of the Palace of Holyroodhouse which is a royal palace and category A listed building (LB Ref 28022, 14 December 1970). The associated Holyrood Abbey, precinct and remains is a scheduled monument (SM ref 13031, 7 February 2013).

The site is located in the Old and New Towns of Edinburgh World Heritage Site and within the New Town Conservation Area.

### **Aim of Development**

- Ensure a sustainable long term future for the Royal High School. Any proposal needs to be of the highest architectural quality.

### **Previous Planning History**

- Any development proposals should take account of the conclusions drawn by the Scottish Ministers following a public inquiry into the development of the site for a hotel development.

- The previous planning history can be viewed on the Edinburgh Council Planning and Building Standards Portal-
  - **Hotel proposal**
    - Application Number [15/03989/FUL](#), [15/03990/LBC](#), [17/00588/FUL](#) and [17/00587/LBC](#) – Two hotel proposals – both refused planning permission and listed building consent
    - Appeal History for the hotel proposals available on DPEA Website – [PPA-230-2178](#), [LBA-230-2076](#), [PPA-230-2213](#) and [LBA-230-2118](#)
    - [Ministerial decisions](#) to refuse Planning permission and Listed Building Consent for applications 17/00588/FUL, 17/00587/LBC, 15/03989/FUL and 15/03990/LBC
  - **Music school proposal**
    - Application Numbers [15/05662/FUL](#) and [15/05665/LBC](#) – Music School – Granted Planning Permission and Listed Building Consent

## Guiding Principles

The following principles should be considered as part of any development proposals:

### West Side of the Site

- There is limited development potential on the west side of the site as development will erode the landscape setting of the Hamilton Building and the hill.
- Development should be no higher than single storey from ground level.

### East Side of the Site

- Building heights should be limited to the height of the existing Gymnasium
- Any built form should be significantly stepped down in height at the front and side
- Avoid damage to trees outwith the site by setting any development back from the canopy

### Rear of the Site

- Limited potential for development to the rear
- Preserve the rear façade of the Hamilton Building and space around it
- Heights will be limited to single storey

### Historic Context

- Development Proposals will require to be supported by an outline Conservation Plan for the site
- Intervention to the Hamilton Building will be limited
- Space around the Hamilton building is essential
- Every effort should be made to retain the lodge building. Any removal will require to be justified in terms of wider conservation benefits
- Demolition of the gymnasium building may be justified if the conservation benefit of the development as a whole outweighs the loss of the building.
- Demolition of the luncheon hall and the classroom block is likely to be acceptable if justified by the conservation benefit of the development as a whole.
- The cumulative impact of any new development will require to be considered.

### Landscape

- Landscape to the front is a vital component of the setting of the building, and the monuments above and requires to be retained.
- Landscape proposals including public realm enhancements should be a fully integral part of the design proposals and must preserve or enhance the setting of the buildings, site and conservation area.

### Pre-Application Engagement

Development proposals selected for consideration will be expected to fully engagement in a formal [pre-application process](#) with the Planning Service.

# A NATIONAL CENTRE FOR MUSIC

## SUMMARY

PROPOSAL FOR THE REDEVELOPMENT OF THE FORMER ROYAL HIGH SCHOOL, 5-7 REGENT ROAD, EDINBURGH EH7 5BL  
SUBMITTED BY THE ROYAL HIGH SCHOOL PRESERVATION TRUST, 3RD SEPTEMBER 2021

*The Royal High School on Calton Hill was originally conceived as a cultural beacon for an enlightened Scotland.  
How better to preserve that spirit than by delivering it into the 21st century as a world-class centre for music education  
and public performance, for the benefit of the whole of Scotland?*



ROYAL HIGH SCHOOL PRESERVATION TRUST



## DELIVERING MUSIC FOR ALL

*“Music, when created, played and listened to with integrity, allows us to strip away all that separates us and urges us to see and feel what unites us.*”

The National Centre for Music presents us with an unprecedented opportunity to enrich the cultural life of Scotland and to serve as a beacon of true 21st century music education for the world to see. Thanks to the generosity and vision of Carol Colburn Grigor and Dunard Fund, we have the means, as well as the collective will and dedication from all walks of Scottish life, to realise a revolutionary vision.

We are entering a rare and beautiful moment in Scotland’s history, where a phenomenal combination of individuals and organisations are tirelessly working together to achieve the highest possible inclusivity and excellence in music, all equally committed to enriching our national story and legacy. Furthermore, we have a new governmental commitment to free instrumental tuition for Scotland’s young people. We are not working uphill and, when it comes to Arts and Culture, this is not to be taken for granted.

We must embrace this moment.

The National Centre for Music will be a warm and welcoming place for all ages, abilities and backgrounds, where people can come together and be uplifted through participation in and appreciation of music. It will be home to a comprehensive celebration of musical traditions and interests from around the world and will embrace a diverse range of teachers, ideologies, pedagogies, students, pupils and audiences.

I have never been more optimistic about the potential of Scotland’s musical and cultural future.”

**NICOLA BENEDETTI**

## A BUILDING IN SEARCH OF A PURPOSE

*“... Calton Hill is important for Scotland and for the world. It is part of the heritage of a small northern European country that has, over the centuries, punched well above its weight... If there are reasons for people to feel proud of Scotland – and there certainly are – then these reasons are to be found here.”*

Alexander McCall Smith, writing about The Seven Hills Project

The Royal High School on Calton Hill became part of Edinburgh's landscape in 1829. Designed by Thomas Hamilton, it stood proudly as a physical link between the city's Old Town and New Town. Today it is both an exceptional example of the neo-classical architecture for which Edinburgh is famous and a testament to the importance that Scotland has long placed on access to excellence in education. Since closing its doors to pupils in 1968, however, it is a building that has struggled to find a new purpose.

The RHSPT's proposal to repurpose this magnificent building as a National Centre for Music will:

- preserve, promote and sustain the architectural integrity of this Edinburgh World Heritage site;
- return the building to its original use as a school, but significantly expand it into a space for all to enjoy;
- align with the City of Edinburgh's planning aspirations now and into the future;
- provide St Mary's Music School with a home befitting its talents and aspirations; and
- put culture and music at the heart of Edinburgh's offering to citizens and visitors alike.

This document contains computer generated images of the Trust's proposals which have been prepared at various times during and after the planning application process. While they all substantially represent the current scheme, certain details have been altered since the images were prepared and other details may be altered as the design is further refined.



## ROYAL HIGH SCHOOL PRESERVATION TRUST

*“Let’s allow one of our greatest buildings to be repopulated by the people of Edinburgh, used and enjoyed by both citizens and visitors to the city, and part of a living, vibrant and forward-looking community.”*

William Gray Muir, Chair, Royal High School Preservation Trust

The Royal High School Preservation Trust was established in 2015 with a stated ambition to conserve the Thomas Hamilton building on Calton Hill and protect its setting there; to find an economically sustainable and culturally suitable use for the whole site; and to establish substantial public access and usage.

By 2016, our proposal to create a new home for St Mary’s Music School in the former Royal High School building had received enthusiastic and robust support from significant heritage, city planning and education partners – including Historic Environment Scotland, Edinburgh World Heritage, the Cockburn Association, the Architectural Heritage Society of Scotland, the New Town and Broughton Community Council, and the Edinburgh Urban Design Panel, as well as over 3,000 members of the public. Our design scheme was granted full planning permission and listed building consent, valid until 2023.

The passage of time from 2016 to 2021 has allowed us to consult on and revise some aspects of our design proposal and to evolve our ambitions for the building into a vision for a National Centre for Music with clearly defined spaces for education, community engagement and performance, set in generous and fully accessible gardens.

Both increased funding to meet this expanded vision, along with an endowment to support the building in the long-term, have been pledged by Dunard Fund. This now stands at a total of £55m.

[rhspt.org](https://rhspt.org)



Attributed to Thomas Allom (1804-72) & David Roberts RA HRSA (1796-1864) and supervised by Thomas Hamilton RSA (1784-1858).  
View of the Royal High School and Burns' Monument, Edinburgh, watercolour and gouache on paper, circa 1830. Royal Scottish Academy collections.  
©The Royal Scottish Academy of Art & Architecture



## A VISION TO CONNECT BUILDING TO CITY TO PEOPLE

*“The RHSPT scheme ultimately aims to connect the building to the city to the people, creating a place where communities can flourish, where heritage and innovation work side by side, and where enjoyment and education go hand in hand. By introducing a new foyer that directly links the street with the proposed concert hall at the heart of the building, we transform a difficult building, in terms of accessibility, into one that serves two distinct purposes at the same time – working school and public space.”*

Carol Nimmo, Chair, New Town and Broughton Community Council (NTBCC) & Chair, Perfect Harmony Development Board

St Mary's Music School will continue to sit at the heart of our proposal in its own sensitively designed building, situated to the east of the site, comprising teaching rooms and residential spaces for boarders. This will ensure that the conservation and protection of the whole site is met through economically sustainable use and will allow for a significant expansion of the teaching and outreach opportunities the school can provide.

The public functions of the campus will be contained within the central Thomas Hamilton building. Three new public performance spaces, including the refurbished Assembly Hall will provide flexible venue spaces while a new multi-functional hub in the West Pavilion will offer café, gallery and visitor centre spaces.

Removing unsympathetic secondary buildings (added when the original school was running short of space) will create public gardens, significantly increasing public access and greatly improving the building's visual setting and its link with both the built and natural environment that surrounds it.

It is our belief that a National Centre for Music will take its place confidently in Edinburgh's cultural landscape, building on the city's world-leading strengths as a UNESCO World Heritage City, a festival city and a forward-looking city that strives to create a democracy of opportunity for all of its citizens.

This will be a place where people of all ages, abilities, backgrounds and experiences can come together and flourish through music. A place that will encompass the widest diversity of musical genres and interests, and embrace the widest diversity of teachers, students, pupils and audiences, all under one roof. A place with excellence at the heart of its teaching and accessibility at the heart of its engagement.



## MAKING THE CASE FOR A NATIONAL CENTRE FOR MUSIC

*“The vision for the National Centre for Music is to drive a transformation in the visibility, scale and reach of musical life in Edinburgh, creating opportunities for inclusion, participation and partnership that will resonate not only in the city, but right across the nation.”*

Kat Heathcote, Director, St Mary's Music School & Trustee, Perfect Harmony Development Board

The project will be a catalyst for Scotland to fulfil its potential as a world leader in music education, building on our strong national tradition of music education. BOP Consulting were commissioned by the RHSPT to review the music education sector in Scotland, interview key stakeholders and hold discussions with project partners. The shared conclusion is that a new National Centre for Music, working with St Mary's Music School and a number of other key partners can play a valuable role in:

- creating a new cultural venue that will add vibrancy to the city in terms of placemaking, design and diversity of use, in the iconic Thomas Hamilton building;
- fulfilling Scotland's potential to be a world leader in music education, based on the nation's strong tradition and heritage in performing, writing and producing a diverse range of musical output;
- bringing together key stakeholders to create a sustainable and joined-up plan for music education in Scotland, that responds to existing gaps in provision;
- developing the next generation of musical talent in Scotland, by providing a world-class musical and academic education for musically gifted children within the inspiring and inclusive environment of St Mary's Music School;
- advocating for resources and access for all into music education, building on all major political parties' pledges to scrap fees for instrument tuition in schools;
- providing opportunities for Continued Professional Development (CPD) and training of Scotland's music teachers;
- focussing on giving young people the skillset to manage a 21st century music career in areas such as leadership, production, promotion, management and technology;
- hosting research and development projects that bring together music organisations, non-music organisations and academics, contributing to fostering innovation in education; and
- fostering international links for musicians, music organisation and teachers.



# IDENTIFYING STRATEGIC ALIGNMENT & IMPACT

*“This project is an excellent fit with national and city policies. The Business Case identifies many benefits across placemaking, cultural, social and economic themes and at local, city and national levels. The wide range of beneficiaries include students, visitors, music and education organisations, the local community and the wider music sector in Scotland.”*

Alex Homfray, Associate Director, BOP Consulting



## PRESERVATION, REGENERATION AND PLACEMAKING

The Royal High School creates a physical link between the Old and New Towns of the Edinburgh World Heritage Site and the building is recognised as a key component of the Site’s ‘Outstanding Universal Value’. Its restoration and reactivation will support national and local placemaking policies by preserving and enhancing a renowned heritage asset and reactivating it for public benefit. The project will further strengthen Edinburgh’s city ‘brand’ by bringing world-class culture and heritage together in a highly visible way, while a strong sense of place, and local engagement with heritage, can contribute to wider social outcomes of community pride and inclusion. The project will have a particularly strong impact for Calton Hill by creating year-round, all-day activity. Opening out its southern flank will help to transform Calton Hill into a safe and attractive place that will benefit local communities and enhance perceptions of the city.



## PUBLIC ACCESS, COMMUNITIES AND WELLBEING

Access to music has been shown to make significant improvements to the lives of children and young people from disadvantaged backgrounds, children with learning difficulties, young people with NEET status, and young people in the criminal justice system. The new National Centre for Music will seek to engage and inspire disadvantaged children and young people, aligning with the City’s priorities to reduce poverty and address inequality. Its programme will also pool the expertise of Centre partners including St Mary’s Music School and the Benedetti Foundation to deliver evening teaching provision for adult education, partnerships with schools and local orchestras, teacher training and exchange opportunities.



## ECONOMIC IMPACT

The project will contribute nearly £100 million to the Edinburgh economy over 30 years. The capital phase itself will generate over £30 million and the ongoing contribution to the Edinburgh economy will be in the region of £3.7 million per annum. The City’s cultural policies highlight the central role that culture plays in driving tourism in Edinburgh and the importance of Edinburgh’s festivals building up their year-round offer and partnering with other cultural organisations. The National Centre for Music can support such partnerships and also provide new infrastructure through the provision of a mid-sized venue specialising in classical, choral, traditional and jazz music, as well as showcasing gifted new and emerging musicians.



## INTERNATIONALISM

A new National Centre for Music will provide a point of connection between music education and performance in Scotland, and best practice overseas. The combination of concert hall, teaching facilities and residential accommodation is ideal for hosting residencies by leading international groups and for further developing St Mary’s Music School’s successful summer school programme. The extended provision that will be offered here by St Mary’s Music School will create additional opportunities for talented children from overseas to learn alongside their peers in Scotland and the UK.

## SEEKING & SHARING PUBLIC OPINION

New research shows high levels of public support, both locally and nationally, for a new National Centre for Music at the old Royal High School in Edinburgh. In a survey carried out independently by The Diffley Partnership (through the ScotPulse panel, on behalf of the RHSPT), more than three quarters (76 per cent) of 1,622 respondents across Scotland agreed that a National Centre for Music is a suitable use for the building. And two thirds (66 per cent) of respondents across Scotland agreed that the old Royal High should be used for cultural rather than commercial purposes.

Support was greater still in Edinburgh, where 533 local residents were surveyed regarding the RHSPT's plans. More than four fifths (82 per cent) of them supported the building's use as a National Centre for Music while 72% favoured its use as a cultural rather than a commercial destination.

Half (50 per cent) of people across Scotland rated their favourability towards a new National Centre for Music as a 9 or 10 out of 10, and almost the same proportion of Edinburgh residents (49 per cent) gave the RHSPT's proposal for the site 9 or 10 out of 10.


An overwhelming majority, both across Scotland (85 per cent) and in Edinburgh (88 per cent), said that any proposal to develop the site should make a positive social impact. Some 57 per cent of Scots surveyed felt that the main benefit of creating a National Centre for Music at the site was that it would nurture Scottish talent; 40 per cent felt it would expand music opportunities for young people; 35 per cent thought it would be a sustainable use of the building; and 25 per cent that such a use was in keeping with the building's original use.

There was also positive endorsement of the areas of public benefit that the Trust proposes to deliver for children and young people through the plans. Nearly nine out of ten (88 per cent) of Edinburgh residents thought delivering more opportunities to access musical education were either 'essential' or 'important'. Almost the same proportion (87 per cent) thought it was important to see more opportunities for music performance while 84 per cent cited the value of opportunities to experience live concerts; 86 per cent wanted opportunities for children and young people to find work in the musical sector.

The survey provides a detailed update to research undertaken independently by Ipsos MORI for the RHSPT in 2017, which showed conclusively that 81 per cent of Edinburgh residents preferred its proposal for the site, compared with just 10 per cent who said they preferred proposals for an international hotel.

• Please refer to [Document 2 Public Survey Results \(Diffley Partnership\)](#)


Results are based on a survey of 1,622 respondents, conducted 11-16 August 2021

88% 

NEARLY 9 OF 10 EDINBURGH RESIDENTS (88%) THOUGHT DELIVERING OPPORTUNITIES TO ACCESS MUSIC EDUCATION WERE EITHER ESSENTIAL OR IMPORTANT

87% 

FELT IT WAS IMPORTANT TO SEE MORE OPPORTUNITIES FOR MUSIC PERFORMANCE

86% 


WANTED OPPORTUNITIES FOR CHILDREN & YOUNG PEOPLE TO FIND WORK IN MUSIC

85% 

AN OVERWHELMING MAJORITY, ACROSS SCOTLAND (85%) AND EDINBURGH (88%), SAID THAT ANY PROPOSAL TO DEVELOP THE SITE SHOULD MAKE A POSITIVE SOCIAL IMPACT

84% 

CITED VALUE OF OPPORTUNITIES TO EXPERIENCE LIVE CONCERTS

57% 

FELT IT WOULD NURTURE SCOTTISH TALENT

# IMAGINE A DAY IN THE LIFE...



**MUSIC AND MOVEMENT**  
[PERFORMANCE SPACE]

Under 5s, along with their parents and carers, take part in an early morning Dalcroze Eurythmics class, delivered in partnership with a UK accredited teacher. Dalcroze encourages an understanding of music through rhythm, structure and movement, and classes are held several times a week and at weekends.



**UPSKILLING FOR TEACHERS**  
[PERFORMANCE AND TEACHING SPACE]

60 primary teachers from Dumfries & Galloway participate in an in-service training day with tutors from the Traditional Music Forum and Feisean nan Gaidheal. A further 20 teaching staff who couldn't travel to Edinburgh are joining in online. The training enhances their teaching with a new programme of songs for children and runs several times a year to support the delivery of the oral tradition of Scots and Gaelic song.



**IT TAKES (MORE THAN) TWO TO TANGO** [CONCERT HALL]

50 members of the local community (all over 70, all young at heart) are taking part in a Tango Tea Dance, held in collaboration with the charity Live Music Now Scotland. A group of young professional musicians perform for an hour while a tango dance teacher leads the dancers. This is just one of a series of eight classes encouraging people to keep fit and active through music and movement.



**A MASTERCLASS IN STRING TECHNIQUES** [EAST PAVILION]

Su-a Lee, Assistant Principal Cello of the Scottish Chamber Orchestra and Advanced Cello Tutor for The Benedetti Foundation, delivers an online tutorial, reaching players of all ages and helping them to explore and learn new techniques for string instruments.



**SCO STRING & WIND ACADEMIES**  
[NEW FOYER AND REHEARSAL SPACE]

As part of the SCO Academy (a successful programme run in partnership with the Scottish Chamber Orchestra since 2019), pupils from St Mary's Music School work with professional players from the SCO to deliver ensemble training for young musicians from in and around Edinburgh. This creates opportunities for young people who want to extend and explore their instrumental talent within an orchestral setting.



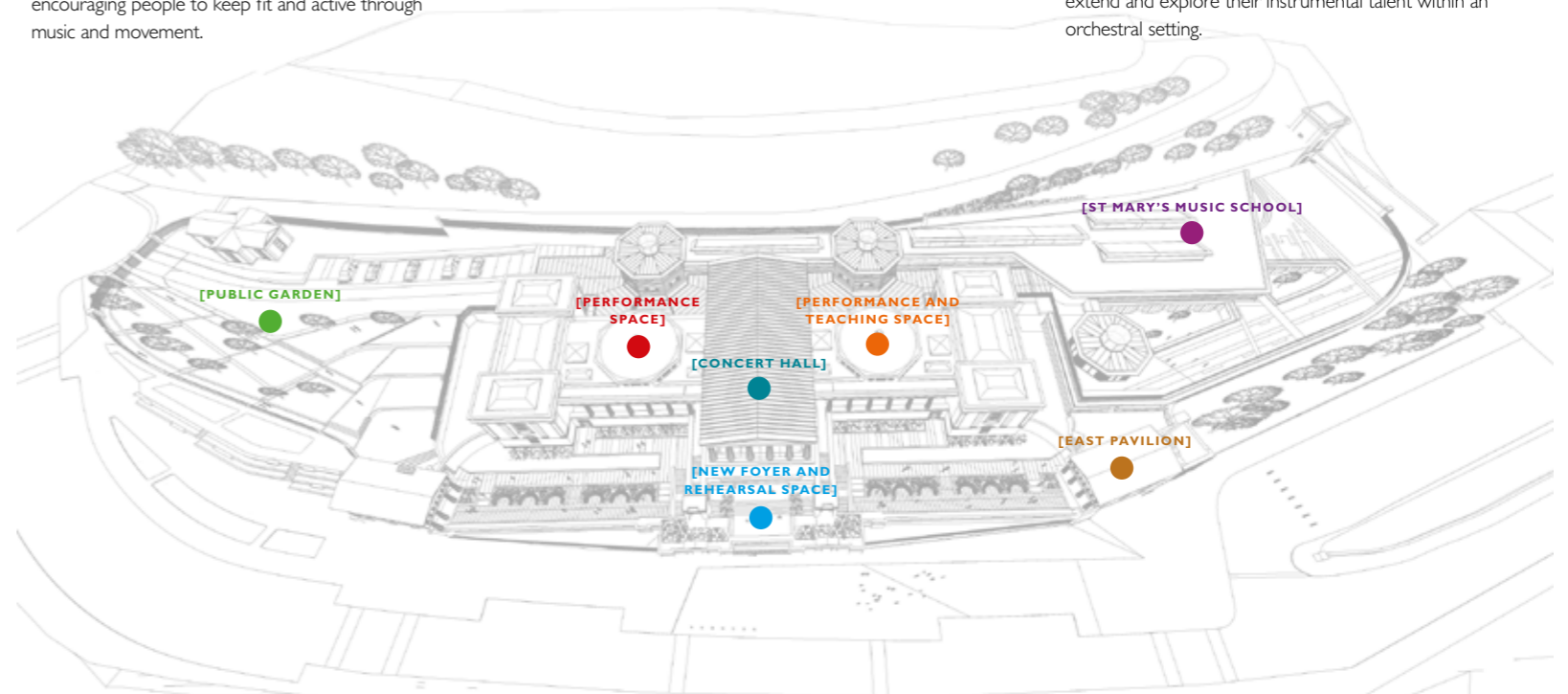
**AND ALL THAT JAZZ...**  
[PUBLIC GARDEN]

The St Mary's Music School jazz band are fitting in a final rehearsal outdoors in the Public Gardens, in advance of the free public performance they're giving in Princes Street Gardens in Edinburgh as part of the School's charitable and outreach activities.



**A SPECIALIST MUSIC EDUCATION**  
[ST MARY'S MUSIC SCHOOL]

With rehearsal rooms running along the southern edge and classrooms flanking the eastern perimeter, the new purpose-build music school is the beating heart of the National Centre for Music site during term time; a busy and exciting hive of academic and musical teaching, learning and activity.



## ARCHITECTURE, DESIGN & ACCESSIBILITY SUMMARY

# RICHARD MURPHY ARCHITECTS

*“Our overall architectural objective is to allow Hamilton’s building and its setting against Calton Hill to be seen as originally intended, free of later additions. This setting has been compromised for about 150 years and our proposed new buildings are designed to be seen as a low-lying terraced landscape. Alterations to the main building are restricted to a new entrance, invisible from the street, but otherwise new work is located in areas of the building which have already been significantly altered by the PSA (Property Services Agency - a Civil Service led architectural office). A key part of our proposal addresses the curiosities of Hamilton’s very under-used external staircases, now revived as a major new entrance route for the public performance spaces.*”

### Understanding Hamilton’s vision

Whilst unquestionably one of Scotland’s greatest architectural masterpieces, Hamilton’s design for the Royal High School creates challenges which have defeated a number of attempts to find a satisfactory modern use for the building. The vast majority of Hamilton’s architectural energy was expended on the modelling of the front elevation rather than the practicalities of how a school might operate and the peculiarity of Hamilton’s design is that, despite this architectural energy, the front of the building was never used as an entrance. Rather, it became a ceremonial end of year exit for children leaving the school and departing to the wider world. The everyday school entrance was very understated on the north elevation, accessed from the west.

Internally, the building poses circulation challenges as the main floor is dominated by the central Assembly Hall and the two classrooms to either side. These extend between north and south elevations so that there is no east-west circulation at the main level. Only two staircases were constructed by Hamilton and these merely connect the different levels of the two end wings to the main levels in the centre of the building.

Hamilton’s original vision was for a building that would be part of a much wider setting of the whole of Calton Hill. This has been compromised by the construction of the Wilson Building and an early photograph shows the school sitting centrally to the retaining wall which can clearly be seen stretching out to the east, terminating in the Belvedere, and to the west, in effect continuing beyond the Gatehouse out to the west along Regent Road, all the way to Waterloo Place. The Royal High School, through this device, visually claims for itself the whole of the hill. It also gives the ‘Acropolis’ of Calton Hill a horizontal base which detaches it from the city below very much in the manner of the gigantic retaining walls found all around the Acropolis itself in Athens.



### Marrying public accessibility and the teaching environment

The building needs to respond to the twin briefs of public performance spaces and the particular requirements of a music school for both students and teachers. It is important that the two groups' territories are clearly delineated and each of them functions on its own terms.

Our scheme proposes a solution whereby the building's public function is divided into casual visitors (to cafe and gardens) and the concert-going public. Casual visitors would enter the site from the west, and Hamilton's Western Pavilion is envisaged as a small cafe serving larger numbers externally in the proposed new garden which replaces the car park. This space is situated in the proposed landscaped edge to Regent Road and also the proposed formal terraced gardens in front of the main facade.

The concert-going public enter using the sequence of staircases Hamilton designed as a ceremonial exit staircase. These lead to a slightly lowered new terrace, new entrance and new foyer formed under the main hall. The new opening has been carefully located so as not to be seen from Regent Road. The foyer contains a bar, access to the school kitchens and two new staircases on either side, replacing those constructed by the PSA in the 1970s. It will be lit dramatically by a roof light inserted into the floor of the external colonnade. The floor of the Assembly Room was completely remodelled by the PSA and we intend to replace it with a number of variable height floor sections giving great flexibility in staging performances but avoiding a flat floor which would otherwise prejudice Hamilton's original design.

Creating the school function is a much greater undertaking. Within Hamilton's existing building, administration is placed in the western rooms, and some teaching spaces and the refectory in the eastern rooms. We propose that the main performance spaces in the centre will also be used by St Mary's Music School and the new foyer will be used as a gym space. Externally, all the buildings to the east will be demolished and replaced with what appear to be terraced gardens but are in fact bedrooms to the front and classrooms to the rear, each with landscaped roofs. The buildings are deliberately low lying and emphasise the horizontal, to complement Hamilton's composition. Only an octagonal pavilion of practice rooms sits above the landscape, and this aligns exactly with the adjacent octagonal roof lights of Hamilton's roofscape.

Along the northern edge, adjacent to the retaining wall, is a single-storey line of practice rooms and small teaching rooms. Our current thinking is to allow these to extend to the current site of the western classroom block building, which we intend to demolish. A larger practice room will terminate this row of rooms and announce the activity of the school to visitors to the garden. A new proposal for a reception gateway building, of the same size and proportions as Hamilton's pavilions, will clearly delineate the threshold of the school itself.



**Addressing potential design revisions**

St Mary's Music School requires a significant number of purpose-build music practice rooms, capable of being readily supervised, within the secure part of the campus. Our consented design includes a pair of two-story octagonal practice rooms and, while welcomed by many, these were the most widely questioned part of the consented scheme, largely because they would partly obscure the north elevation of the original building when viewed from the walkway up Calton Hill.

The CEC Planning Report noted that: "The new practice rooms proposed at the rear interrupt views of the building on approach from the west of the site and from the path to Calton Hill. This prevents the north façade from being read coherently." And HES, in their Consultation Report, similarly observed: "As currently designed, this proposed new building would prevent the north façade being read coherently, with octagonal pavilions introducing an uncharacteristic series of interlocking spaces."

The location of these practice hubs was, in part, dictated by a desire to avoid any new development to the west of the Hamilton building. However, the newly issued development brief acknowledges that limited single-storey development may be possible in this area and, taking advantage of this, we have proposed a potential amendment to the consented scheme. This would remove the octagons and push a low-lying entrance pavilion out to the north west of the building.

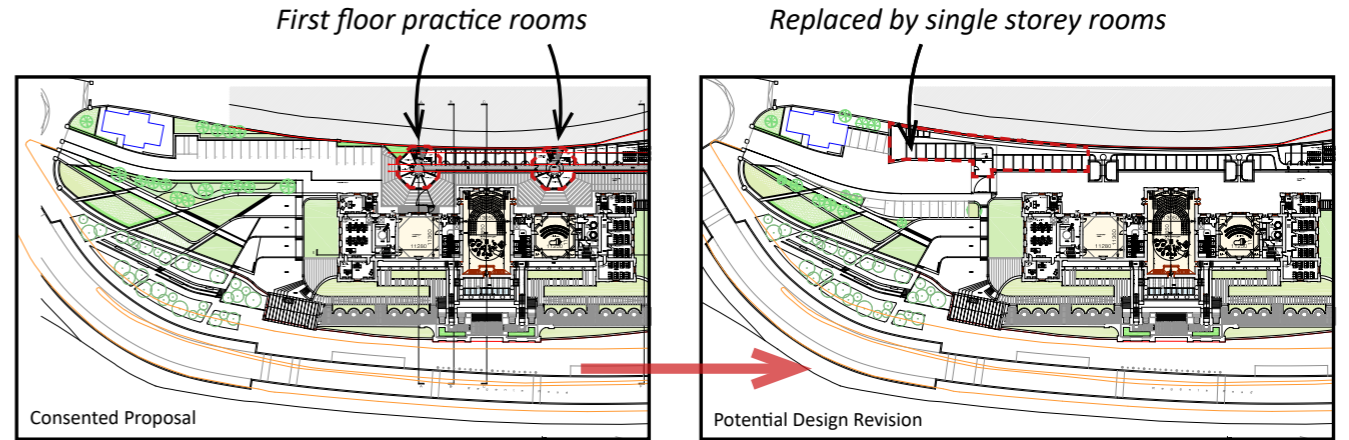
The new entrance pavilion would be elegantly proportioned, following the lead of Hamilton's original flanking pavilions, and this solution would offer a number of advantages.

- A clear, distinctive and contemporary entrance to St Mary's Music School.
- A significant enhancement of the view of the north façade of the Hamilton building.
- The creation of a cleaner and more usable series of outdoor spaces to the north of the Hamilton building.

We would welcome the opportunity to discuss this potential amendment."

*Richard Murphy, Managing Director, Richard Murphy Architects*

- Please refer to Document 3 Consented and Proposed Plans (Richard Murphy Architects)





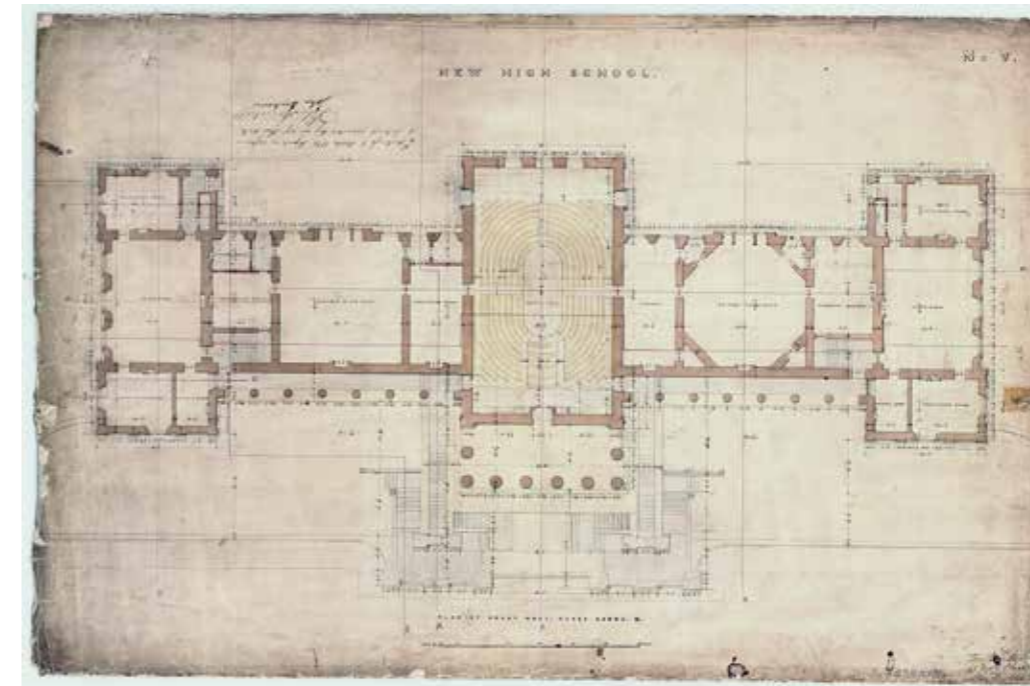
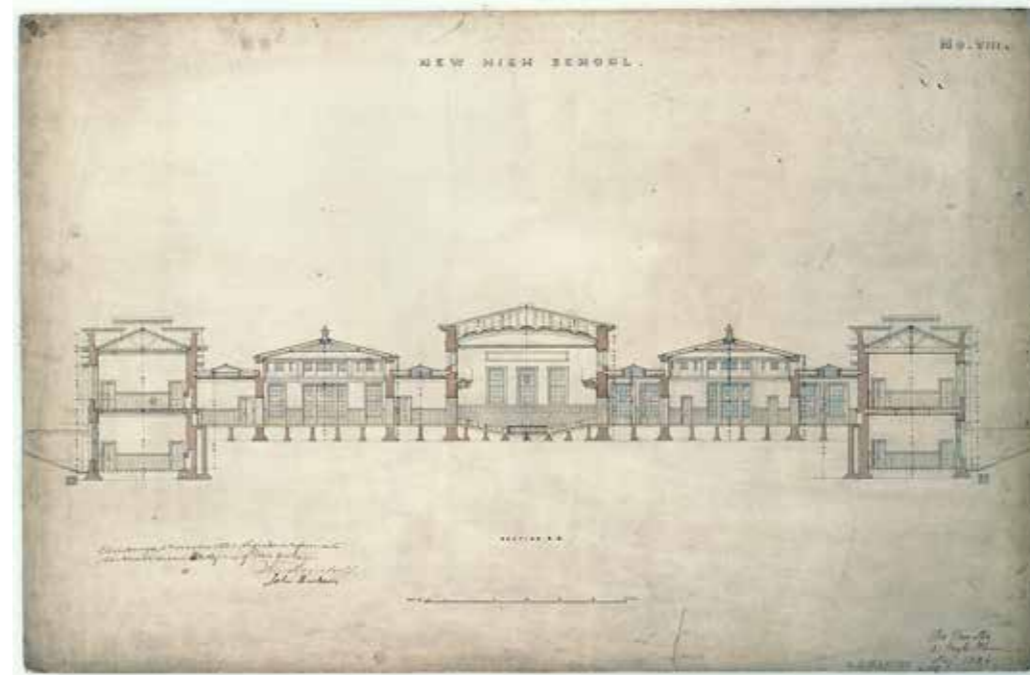
## CONSERVATION & CULTURAL HERITAGE SUMMARY

# SIMPSON & BROWN

*“Thomas Hamilton’s Royal High School is one of the most important - perhaps the most important - of Scotland’s many fine Greek-revival buildings. Its reputation is, quite literally, international, and the way it is developed will rightly attract close scrutiny not only in Edinburgh and Scotland, but across the globe.*”

The building’s iconic status reflects Hamilton’s supremely confident and controlled design of the main front of the school to the south, and the way that this is viewed when approached along Regent Road from the east and west. Any development proposals must ensure that the visual integrity of this front is scrupulously preserved. But in a design as superbly conceived as this, it is not just specific views that must be respected. This is a building that needs to be understood in the round and in relation to its dramatic setting on the flank of Calton Hill, one of Europe’s great set pieces of picturesque urban design. This means that any new building on the site should be handled with the utmost care, so that neither the building itself nor its relationship to its surroundings are subjected to intrusive or insensitive change.

RMA’s designs for a new National Centre for Music skilfully meet these demanding criteria. By concentrating new development on the more enclosed east side of the site and staggering its height to follow the line of the landscape, a large volume of new accommodation has been incorporated with minimal impacts on any significant views of Hamilton’s masterpiece. Furthermore, the removal of an undistinguished late nineteenth-century building will open up views to Hamilton’s belvedere. Lost to view since the 1890s, this was a key part of the architect’s design for the wider setting and an intentional counterpoint to his monument to Robert Burns directly to the south. Its recovery will be a major heritage gain.



### A fitting affirmation of civic heritage

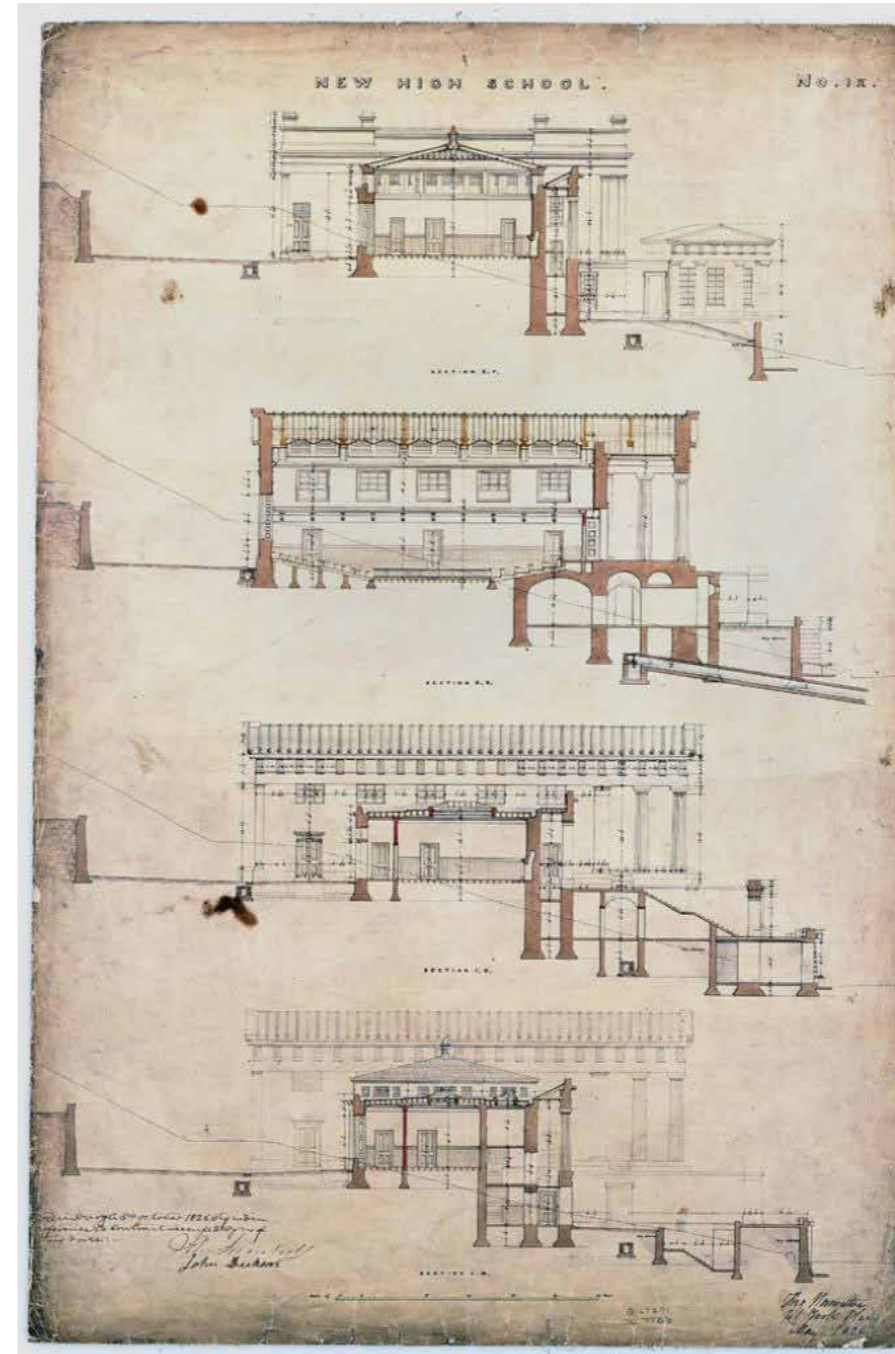
The ingenious use of courtyards and skylights to light the new building has reduced the amount of externally visible glazing to an absolute minimum. This will, in combination with green roofs, ensure that the new work blends seamlessly into the surrounding landscape. Where the new school is visible to the north and west, massing is controlled to maintain views of the building's north side and its fascinating roofscape. The new work has also been carefully designed to harmonise with the original building while remaining distinctively and elegantly contemporary.

Hamilton's main building will be meticulously restored, with masonry, roofs, windows, doors and interiors conserved to the highest possible standards of materials and craftsmanship. His most important room, the Assembly Hall, will see harmful later interventions reversed and lost original features reinstated, while its use as a concert hall will enable its unique character as a place of assembly and performance to be preserved. The introduction of a new but carefully concealed south entrance, together with a dramatic foyer and staircases, will make the challenging layout of the building workable without the need for intrusive external additions or further internal alterations.

No less important, however, than respecting the building's architectural quality is sustaining its historic significance as a symbol of Scotland's commitment to recognising and supporting the talents of its people, regardless of wealth or privilege. It was this concern that motivated the citizens of Edinburgh, in the 1820s, to make their public high school into such a magnificent building. It would be hard to imagine a more fitting affirmation of this heritage than the transformation of Hamilton's masterpiece, almost exactly two centuries later, into Scotland's new National Centre for Music."

John Sanders, Partner, Simpson & Brown

- Please refer to Document 4 Conservation Plan (Simpson & Brown)
- Please refer to Document 5 Compliance with Design Brief (Montagu Evans)
- Please refer to Document 6 Engineering Plan (David Narro Associates)



## LANDSCAPE & ENVIRONMENTAL IMPACT SUMMARY

# OPTIMISED ENVIRONMENTS (OPEN)

*“The proposals for the landscape and external environment will significantly enhance the overall setting and provide a respectful, engaging and dynamic space, encouraging biodiversity while providing a series of landscaped spaces for public and educational enjoyment.”*

The main challenge for the immediate building setting is to marry and respect the picturesque context of its wider location and consider this in light of the building's return to education use but with a significant public interface. The solution is a series of carefully designed spaces linking the west (city entrance) side of the site through to the east in a journey designed to reflect the transition from a more public interface to that of a more intimate student experience.

The **West Approach Garden** is the main point of arrival and begins the experience of revealing the building and its uses; the aim is to create a space that allows for integration of its users, provides places for outdoor learning and areas that can be used as a 'fourth' performance space. The landscape design harnesses the natural beauty of Calton Hill sweeping down into the site, enhances biodiversity and accessibility and embraces opportunities for sustainable design in an age of climate emergency.

The **Southern Terraces** offer spectacular views out of the site towards dramatic land and cityscapes, characterising the very essence of Edinburgh. They are important to the south elevational setting of the building and need to remain visually uncluttered as well as provide access to and from the main building by using changes in level to provide a series of ramped terraces and seating areas. The bottom terrace sits just behind the existing parapet wall, giving views and shelter at the same time.

A **Roof Terrace and Playground** for students will make exciting and innovative use of a large proportion of the roof of the new school building, offering an excellent environment for educational, health and wellbeing activities. The location is not only private but offers an incredible vantage point. Sensitive landscape design will integrate the roof terraces into the natural landscape of Calton Hill while introducing an innovative blue/green sustainable structure, enhancing the performance of the new building and the site as a whole.”

Pol MacDonald, Director, Optimised Environments (OPEN)



## A ROBUST MODEL FOR FUNDING, MAINTENANCE & STAFFING

*“The National Centre for Music will be established as a new charity, independent of the Royal High School Preservation Trust and St Mary’s Music School. Dunard Fund will provide the Centre with an endowment of £10 million, enabling the Centre to provide for the long-term maintenance and preservation of the building; to employ a small staff team; and to provide seedcorn funding for the partnership programme.”*

Alex Homfray, Associate Director, BOP Consulting

It is proposed that the Royal High School Preservation Trust will hold the head lease for the building from City of Edinburgh Council and will, in turn, lease the building on a peppercorn rent to The National Centre for Music. St Mary’s Music School will be a tenant of the new Centre, similarly enjoying a peppercorn rent. Initial modelling of indicative balanced budgets for both the Centre and the School demonstrates the sustainability of this proposed model and further definitive financial modelling will be carried out at the detailed design stage of the project.

A detailed maintenance plan will similarly form part of the next phase of business planning but initial modelling is based on projected maintenance and conservation budgets for category A buildings over a 30 year maintenance cycle. Provision has therefore been made to cover a combination of ongoing and periodic major works with a net present value of £7.5 million.

Following a set-up period, where the focus will be on delivering the capital project and setting up the Centre’s music education partnerships, the staff will be led by an Artistic Director, responsible for developing and realising the Centre’s vision. Four staff members will cover the artistic and educational programme, conservation and facilities management, communications, and administration.

While the Centre’s income will provide a contribution to its partnership programmes, it is envisaged that fund raising will be undertaken with partners for specific programmes, allowing the Centre’s activities to grow and flex from a financially secure base, as new programmes develop.

### National Centre for Music budget – sample year

Income		£
1.	Endowment income	500,000
2.	Accommodation rental	120,960
3.	Rental of performance spaces	10,500
4.	Partnership Programmes	375,000
<b>Total Income</b>		<b>1,006,460</b>
Expenditure		
5.	Staff costs	228,000
	Administrative expenses	15,000
	Marketing & communications	10,000
6.	Facilities management	215,000
7.	Partnership programmes	475,000
<b>Total Expenditure</b>		<b>943,000</b>
<b>Surplus/deficit</b>		<b>63,460</b>

#### Notes

1. 5% return from endowment of £10 million.
2. Eight weeks rental during school holidays, for 48 rooms at £50 per night, assuming 80% occupancy.
3. Estimate of £7,500 for Edinburgh Festival rental, based on prevailing rates for performance spaces, plus three further weeks at £1000 per week.
4. Notional sum to represent fundraising with partners: assumes five programmes a year at an average of £75,000 each.
5. Artistic Director; Conservation and Facilities Manager; Programmes Manager; Communications Officer; Administration Assistant.
6. £200,000 provision for long-term building conservation and £15,000 for gardening.
7. £100,000 contribution from endowment income, to be topped up via fundraising with partners.

## A PLATFORM FOR COLLABORATION & PARTNERSHIP

*“[The Centre will] offer a level playing field where young disabled people and other learners can work together and develop a mutual appreciation of each other’s musicality, creativity and technical ability... [it will] offer a space where expertise – whether it’s playing music using accessible technology or playing a cello – is equally valued and understood in terms of human expression. This would be a unique place in the world.”*

Lucia Capallaro, Learning & Participation Manager, Dunedin Consort

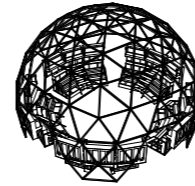
Perhaps the most important function of the National Centre for Music will be as a platform for fresh collaborations both within the building and online, as well as out in the wider community. This will allow us to deliver excellence in accessibility and inclusion; develop innovative expression and educational pathways; and foster wellbeing and a sense of place. We envisage two main types of partnership making this happen.

**Core partners** will shape the core offer of excellence and inclusive music education and advocacy. The National Centre for Music will have equal partnerships with its proposed core partners – these will include St Mary’s Music School, the Benedetti Foundation and IMPACT Scotland.

Core partners are independent organisations who will therefore have their own partnerships with some of the programme partners as well as with, for example, local schools or international academies. By mutual agreement, core partners may lead on some National Centre for Music initiatives and programmes.

**Programme partners** will work with the National Centre for Music to push boundaries and excite new audiences. The Centre will have a role to support such partners functionally – through coordination and creating connections; and strategically – by ensuring alignment with shared outcomes.

The National Centre for Music will also establish broader partnerships with organisations whose remit focus on greenspace, built heritage, and health and wellbeing, for example. As the Centre takes shape, partners will be able to advise on its development and the Centre will facilitate interaction and cross-pollination of ideas.



#PIANODROME



BENEDETTI  
FOUNDATION



## CORE PARTNER

# ST MARY'S MUSIC SCHOOL

*“We will be able to educate more people. We will open our doors to Edinburgh, to Scotland and internationally and a whole range of musical activities will happen. It will allow us to become much more of a community asset than we can be at present.”*

Dr Kenneth Taylor, Headteacher, St Mary's Music School

St Mary's Music School is Scotland's only specialist music school, founded in 1880 to educate the choristers of St Mary's Cathedral with instrumental teaching introduced in 1972. It is one of nine Music and Dance Scheme Schools across the United Kingdom, offering the finest training to nurture exceptional talent in young people aged between 9 and 19 years.

St Mary's Music School has a vision to be recognised as a national cultural asset with a world-class reputation among specialist music schools, providing an exceptional educational environment for gifted young musicians and making a vital contribution to musical excellence on the national and international stage. The School's mission is to open its doors to outstanding young instrumentalists and choristers from Scotland and beyond – regardless of their means or circumstances – allowing them to flourish and excel, musically and academically, in a safe, supportive and inspiring environment.

Throughout its history, the School has provided innovative pathways to excellence that are at the heart of its teaching. In 1978, the School and St Mary's Cathedral were amongst the first in the UK to develop a coeducational chorister education, while Saturday Music Classes for children aged between 4 and 12 years is a long-established programme that introduces children to singing and to instrumental and theory classes, with an emphasis of having fun while learning. Since 2018, the School has worked in partnership with the Scottish Chamber Orchestra to develop the SCO Academy, where children already playing to a high standard (ABRSM Grade 5 or above) can rehearse and perform alongside pupils from St Mary's Music School and the professional musicians of the SCO.

Moving to a new home on Calton Hill will provide St Mary's Music School with state-of-the-art facilities and performance spaces, enable specialist music education to be offered to a significantly increased school roll of around 120 young people, and deliver performance and teaching expertise to a much wider local, national and international community, in collaboration with a broad range of partners.

[stmarysmusicschool.co.uk](http://stmarysmusicschool.co.uk)



CORE PARTNER  
**THE BENEDETTI FOUNDATION**

*“By harnessing each organisation’s specialisms and enabling true partnership working, the National Centre for Music has the potential to be a game-changer for music education in Scotland.”*

Laura Gardiner, Director, The Benedetti Foundation

The Benedetti Foundation is an independent charity set up by the world-renowned, Scottish-Italian solo classical violinist, Nicola Benedetti.

The Foundation’s principal aim is to unite, inspire and educate through the creation of energetic and innovative workshops and video content. It aims to deliver and model high quality music education, be accessible online, increase dialogue between the performing and education worlds, advocate for the music education world, and break down barriers to access.

Since its foundation in January 2020 – a time of nationwide cuts to music education and the music teaching profession as well as threats to the existence of some local authority music education – the Foundation has worked with over 25,000 participants of all ages, across 94 countries and from every local authority in Scotland.

The Foundation works closely with young people to build discipline, professionalism, concentration and perseverance, as well as to address the deeply important emotional, social and psychological challenges that young people face. Activities range from in-person and virtual large-scale sessions to short, focused workshops; and from teacher training for both instrumental and primary classroom practitioners to supporting students and recent graduates entering the world of teaching.

Current initiatives include large scale, inspirational events such as Building Foundations: Exploring the Physicality and Psychology of Playing which include short daily challenges, live practice and improvisation sessions, wellbeing sessions, and interviews hosted by Nicola. Online ‘Mini Sessions’ provide in-depth and detailed explorations of a wide variety of topics, ranging from technique, physicality and wellbeing to personal and professional development for both students and teachers. The Foundation’s Ambassador programme provides a safe and supportive environment for students and recent graduates to share ideas, learn from and with each other, engage and be proactive.

[benedettifoundation.org](http://benedettifoundation.org)



**CORE PARTNER**  
**IMPACT SCOTLAND**  
**& DUNARD CENTRE**

*“Dunard Centre and the National Centre for Music would provide a complementary infrastructure, creating a geographical hotspot in Edinburgh that is exciting and enables great potential. There are any number of collaborative opportunities around different projects and with an even wider range of partners.”*

Joanna Baker, Executive Director, IMPACT Scotland

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IMPACT (International Music and Performing Arts Charitable Trust) Scotland is responsible for the development operation of Dunard Centre, a new all-purpose performance venue in Edinburgh's St Andrews Square, due to open in 2026. Broadening access to music is at the core of Dunard Centre's mission and it aims to present acoustic music from Scotland and around the world, at the highest level and through all genres, in a new 1,000-seat concert hall. Dunard Centre will also provide a permanent home for the Scottish Chamber Orchestra (SCO) who tour Scotland and the world as proud ambassadors for Scottish cultural excellence, providing as many opportunities as possible for people to hear music.

Conceived as a hub to connect with music of all kinds and communities of all kinds across Edinburgh, Dunard Centre will function all day and, as well as providing a concert hall, will have multi-purpose rooms and foyers. The staff will include an education and outreach team working with partners to deliver programmes.

The new National Centre for Music would have access to world-class musicians performing at Dunard Centre, providing opportunities for masterclass and exchanges, while Dunard Centre's facilities would showcase programmes for the Centre such as St Mary's Music School summer schools. Both buildings developing along similar timelines offers further opportunity to create synergy, such as through the exploration of the digital partnerships, broadcasting and cultural programming.

[impactscotland.org.uk/project](https://impactscotland.org.uk/project)





## PROGRAMME PARTNER DRAKE MUSIC SCOTLAND

*“The National Centre for Music has the potential to enable Scotland to have the most inclusive music education in the world. It can drive new ideas in terms of programming, access, technology and sustainability. From this point of view, perhaps the unique offering here (alongside education and the iconic central location) is the playfulness, innovation and collaboration which smaller venue with multiple smaller spaces and partners of all shapes and sizes can provide. The National Centre for Music links architecture, performance and environment to produce a new kind of organisation and institution.”*

Thursa Sanderson, Chief Executive, Drake Music Scotland

Drake Music Scotland was founded in 1997, at a time when there was no progressive music education in place to help young people with additional support needs build their skills; there were also few music teachers working in special education schools. Drake Music Scotland’s vision is to transform people’s lives through the power of music and it is Scotland’s leading organisation in creating music-making opportunities for children and adults with disabilities and additional support needs.

Working in partnership with the National Centre for Music would help to raise the profile of Drake’s many initiatives and will see opportunities emerge for building on training and CPD programmes with others who are developing skills in similar areas and in music education more widely.

[drakemusicscotland.org](http://drakemusicscotland.org)



## PROGRAMME PARTNER PIANODROME

*“We rethink what the piano is and can be in today’s society – our work uses the materials we find around us to create welcoming spaces and opportunities through installations, events and workshops. We want to make people feel at home. Environmental sustainability, partnership working and widening access to music-making are central to our activities and practice. Working alongside the new Centre’s partners, facilities and networks would help us to continue to break down barriers and broaden our impact.”*

Matt Wright, Director, Pianodrome

Edinburgh-based Pianodrome CIC was formed in 2017, founded on the belief that ‘no piano is junk, no person is unmusical’. The world’s first Pianodrome, a 100-seater amphitheatre made entirely from disused pianos, was created with the help of over 100 volunteers and installed at Edinburgh’s Royal Botanic Gardens in August 2018, attracting in excess of 18,000 visitors.

Pianodrome is part of a large network of makers, artists, performers and volunteers; it leads outreach programmes and supports artists through various initiatives including Pianodrome Sessions concerts. Pianodrome Sessions partnerships include Intercultural Youth Scotland, Tinderbox Collective and Chamber Music Scotland, with a focus on widening access to music performance opportunities for young people and people from diverse backgrounds.

[pianodrome.org](http://pianodrome.org)



## PROGRAMME PARTNER TRADITIONAL ARTS & CULTURE SCOTLAND (TRACS)

*“Working in partnership with the National Centre for Music would enable an increased knowledge of traditional music among musicians of other genres, students and teachers, giving them a broad sweep of musical experience. TRACS would help join the dots, enabling physical and digital promotion of, and access to, traditional music, helping create a much greater profile and relevance of traditional music to the music community of Scotland.”*

David Francis, Director, TRACS

Over 20,000 people take part in traditional music education in Scotland and 18,000 of them are under the age of 18. TRACS is Scotland's national network for traditional arts and culture across the art forms of music, dance and storytelling and its network includes over 100 organisations from across Scotland. TRACS brings together the Traditional Music Forum, the Scottish Storytelling Forum and the Traditional Dance Forum of Scotland.

The Traditional Music Forum is a key participant of the Scottish Parliament's Cross-Party Group on Music and a major area of its activity is non-formal music education. It works with other advocacy bodies in the Music Education Partnership Group, which succeeded in persuading the Scottish Government to waive fees for instrumental music tuition in the 2021/22 school year.

[tracscotland.org](http://tracscotland.org)



## PROGRAMME PARTNER NEVIS ENSEMBLE

*“The iconic space [of the former Royal High School] is symbolically important, giving [partners] the ability to reach communities and wider organisations in a way [music organisations] working more disparately maybe can't.”*

Jamie Munn, Chief Executive, Nevis Ensemble

Nevis Ensemble is a 40-piece street orchestra founded in 2018, whose mission is 'to make music for everyone everywhere'. Nevis Ensemble performs around the country, runs partnership projects and trains early career musicians.

Nevis tours places that would not normally host performances – public spaces and supermarkets; scenic spaces such as St Kilda and Ben Nevis; and community and social settings including psychiatric wards and care homes for veterans – every year, the orchestra aims to perform in at least half of Scotland's 32 local authority areas. Projects are always delivered in partnership and participant-led, with the aim of creating new music, alongside Nevis musicians and composers, which can then be orchestrated for the full ensemble. The Ensemble work with a number of different groups, including women seeking refuge from domestic violence, refugees, people experiencing homelessness, young carers, those in the justice systems and older people living with dementia.

Nevis also provides much sought-after performing and freelance skills for new musicians and, from 2022, will create 40 two-year fellowships which will strengthen this training and development even further.

[nevisensemble.org](http://nevisensemble.org)



*“Each of us is born with the capacity to be an active musician, and every culture on this planet has music. Music is millions of years older than language. It is an umbilical cord to Mother Nature and arguably the most important thing we did as a species.”*

For our children in particular, music is a magical space for imagination, freedom, and joy. A National Centre for Music on Calton Hill would provide a spectacular space for this to happen. It would be a world-class centre and a further jewel in Scotland’s musical crown.”

**MICHAEL SPITZER**  
Author of *The Musical Human*;  
Professor of Music, University of Liverpool



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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Mixed Tenure Improvement Service Pilot Progress

Executive/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 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;
  - 1.1.2 Note the reduction in the interest rate applied to owners' debt as a result of works undertaken in the Mixed Tenure Improvement Service Pilot; and
  - 1.1.3 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.

**Paul Lawrence**

Executive Director of Place

Contact: Jackie Timmons, Shared Repairs Senior Manager

E-mail: [jackie.timmons@edinburgh.gov.uk](mailto:jackie.timmons@edinburgh.gov.uk) | Tel: 0131 529 6778

## Mixed Tenure Improvement Service Pilot Progress

### 2. Executive Summary

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- 2.1 The Council is the largest landlord in the city with around half of its homes in mixed tenure blocks where responsibility for maintaining the buildings is shared with the other owners. Most of the housing stock is situated in former Council estates where property values and household incomes are low, making it more difficult for owners to afford the cost of repairs. The Council has a duty to maintain homes on behalf of tenants and to ensure that Council homes meet the Energy Efficiency Standard for Social Housing (EESH 2) by 2032. In order to tackle disrepair in housing and support the delivery of Council commitments, including net zero carbon, the Council established the Mixed Tenure Improvement Service (MTIS).
- 2.2 This report sets out progress of the MTIS pilot and the challenges to date. It also outlines plans 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.

### 3. Background

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- 3.1 The creation of mixed tenure neighbourhoods in the 1980s and 1990s, arising from right-to-buy legislation, has led to increased complexity in taking forward repairs, maintenance and improvements to common areas of blocks or tenements.
- 3.2 In mixed tenure blocks, there is a mix of ownership with owner occupiers, landlords and Council-owned flats. Many of these blocks need significant investment to common elements. A majority agreement of owners in each block is required before decisions can be made on the scope of common repair work to be taken forward. Flat owners are responsible for paying their share of any repair works undertaken in accordance with their title deeds.
- 3.3 Housing Revenue Account (HRA) investment over the past five years has been targeted at internal and external improvements to blocks in full ownership of the Council. Investment is now needed to the external fabric and communal areas of mixed tenure blocks to ensure flats in blocks are warm, damp free, safe, secure and wind and watertight. Taking the fabric first approach will assist the Council to comply with the requirements set by the Scottish Government in relation to Energy

Efficiency Standards for Social Housing (ESSH2). In addition, making progress towards the Council's objectives to meet the Net Zero Carbon target by 2030.

- 3.4 On [7 June 2018](#), Housing and Economy Committee approved a Mixed Tenure Improvement Strategy, setting out the next steps to tackle mixed tenure repairs. The report also noted a proposal to establish a Mixed Tenure Service to engage with all residents and manage the delivery of the construction work.
- 3.5 Updates on the Mixed Tenure Improvement Strategy were also considered by Housing and Economy Committee on [24 January 2019](#) and [6 June 2019](#). On [23 January 2020](#), Finance and Resources Committee noted the proposals to pilot the Service and agreed to extend the debt repayment terms to enhance the Council's existing Scheme of Assistance (SoA). The Pilot is intended to inform future decisions on mixed tenure work required across the city and the approach used to achieve improvements to the Council's existing housing stock.

## 4. Main report

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- 4.1 The scale of mixed tenure repairs required across the city is substantial. Delivery of much of the required investment to maintain and improve Council housing stock is dependent on getting the agreement of other owners within mixed tenure blocks. The ability to deliver on the Council's Net Zero Carbon target by 2030 is also heavily dependent on working with owners to achieve a fabric first approach that minimises the requirement for energy use. The legislative framework and processes to progress works must be followed to recover owners' share of costs.
- 4.2 The MTIS was established as a three year pilot to deliver mixed tenure investment as part of the Capital Programme for Housing, supported by effective use of the Tenement (Scotland) Act 2004 framework.
- 4.3 The MTIS programme of works include delivery of repairs to 1,400 flats in 181 blocks, with an estimated value of £30m over the three-year period. The Council own the majority of flats (approximately 1,000 flats in the pilot area) with the remainder (400) being privately owned. Ownership checks to date show that landlords own 45% of privately-owned flats.
- 4.4 The implementation of the MTIS commenced in 2020 with recruitment of the team and the development of standard operating procedures (SOP's). MTIS case officers are dedicated to engagement and communication with owners and tenants in the pilot area. The MTIS Chartered Surveyors undertake the technical work including on-site Building Condition surveys, preparation of owner reports and cost estimates, preparation and submission of Building warrants, procurement and management of specialist surveys and construction works.
- 4.5 The SOP's include research and verification of ownership of flats, investigation and verification of apportionment of repair costs per owner, from the title deeds and Tenement Act rules where applicable. This work is undertaken prior to communicating with owners. The first letters to owners introduce the Pilot project and describe the programme objectives, roles and responsibilities of owners, the

legal framework, the voting and appeal process, the building condition survey process and how the repair works will be delivered.

### **Progress**

- 4.6 The programme will be delivered over the next three years. Phase 1 is being taken forward in 2021/22 and includes works to 512 flats of which 141 (28%) are privately owned. Of the privately-owned flats, 63 are owned by landlords and 78 are owner occupied.
- 4.7 78 properties have progressed to a legally binding majority scheme decision in all but one minority block.
- 4.8 The estimated average cost of repairs per flat in Phase 1 was £28,000, which was notified to owners. This included repairs cost, provisional sums, contingency sum, 20% project management fee and VAT. The cost per flat was subject to the scope of repairs and apportionment of costs by rateable value, in accordance with the flat title deeds.
- 4.9 Prior to submitting estimate costs to owners, the team investigated and received specialist advice to confirm that VAT can be charge at 5% for some energy efficiency measures, this reduced the average VAT charged per block to 11%.
- 4.10 During the pre-tender period the team have undertaken a value cost engineering exercise following the results of specialist surveys and some provisional items have been removed from the cost estimates. Following evaluation of contractor tenders for Phase 1 the impact of Covid-19 and Brexit related issues have been clarified as far as possible and following procurement, owners will be sent revised estimated costs.
- 4.11 The initial cost estimates excluded non repayable Grant funding available to private owners through the Home Energy Efficiency Programme for Scotland (HEEPS), Area Based Scheme (ABS) secured by the Council from the Scottish Government. HEEPS ABS funding is provided to local authorities to develop and deliver energy efficiency programmes, mainly solid wall insulation, in areas with high levels of fuel poverty.
- 4.12 The grant funding available to all owner occupiers will be up to £7,000. Landlords may be eligible for funding subject to the number of properties they own. The details of this will be included in updated cost estimates for owners.
- 4.13 Council officers have also explored the availability of additional Grants for owners in fuel poverty with Energy Saving Trust. This will be possible subject to criteria being met, households confirming eligibility and evidence being collected by the Council.
- 4.14 Additional support is available to increase the grants by a further £5,000 for vulnerable owners, to £12,000 for energy efficiency work. There is also an opportunity to add 10% to this for structural works related to the energy efficiency work if required and up to 20% for enabling works. In some circumstances this will increase the grants to up to £15,600 for some vulnerable owner's, and will be managed under the current 2021-22 HEEPS ABS grant from the Scottish Government.



- 4.15 The result of securing grant funding and value engineering may reduce the estimated costs for Phase 1 works invoiced to vulnerable owners to approximately £2,000, subject to final accounts agreed with contractors. Estimated costs for other Phase 1 owner occupiers and landlords may range from £9,000 to £18,000 (these costs are subject to the final scope of works, apportionment of final costs and securing grant funding).
- 4.16 The construction work has now been procured and updated cost estimates will be sent to owners. Works are expected to start on site at the end of October.

### **Enhanced Scheme of Assistance**

On [23 January 2020](#), Finance and Resources Committee approved extended debt re-payment plans for the MTIS Pilot. The construction work will be financed by the Council and charged to owner occupiers upon completion. Payment plans set up with the Council do not affect an owner's credit score. Payment plans available for owner occupiers are as follows:

- 4.16.1 Owners with total MTIS debts of up to £5,000 may be offered a payment plan of a maximum of four years;
- 4.16.2 Owners with total MTIS debts between £5,000 and £10,000 may be offered a payment plan of no longer than seven years; and
- 4.16.3 Owners with total MTIS debts of more than £10,000 may be offered a payment plan of a maximum of ten years.
- 4.17 These terms are available to owner occupiers in the MTIS Pilot area only.
- 4.18 As a last resort, owner occupiers may also consider an option to sell their flat back to the Council and remain in their home with a Scottish Secure Tenancy in line with the agreed strategy for consolidation or divestment of interest in mixed tenure blocks as set in the Acquisitions and Disposal Policy ([A and D Project Update 26 Jan 2016](#)) and as a 'last resort' option.
- 4.19 The average income in Wester Hailes is 37% lower than the Edinburgh average and the value of a 2-bed flat is 50% lower than the Edinburgh average. Wester Hailes is in the most deprived 5% of Edinburgh. A case study of owners in Phase 1, assessment made through Scottish Index of Multiple Deprivation and the Scottish Government Home analytics database, found that almost half of these owner occupiers may be categorised as in extreme fuel poverty.
- 4.20 Owner occupiers may not be able to afford to pay back the costs over the maximum 10-year period offered by the Council and the repayment amounts may be a significant proportion of their income. In the case of vulnerable owners including pensioners, a repayable loan may be very difficult to sustain over the current repayment period.
- 4.21 Should owners have difficulty securing finance from the market, extending debt repayment terms for their share of costs arising from Council-led mixed tenure work may help owners meet their responsibilities to repay these costs over a longer period. This would be an additional measure included with the Council's SoA

covering the Mixed Tenure Improvement Pilot. Finance and Resources Committee is asked to agree an extension to debt repayment of up to 15 years for owners with debts of more than £7,000, as set out in Appendix 1 of this report.

- 4.22 These extended repayment terms would only apply to owners who live in their homes in mixed tenure blocks within the MTIS pilot and would not apply to landlords. Experience from the Edinburgh Shared Repairs Service is that once a scheme decision is reached, landlords pay their share of common repairs. Extending the debt repayment period for the purposes of the three-year pilot will allow the Council to manage exposure to financial risk in a controlled environment and make more accurate assumptions of scale and level of risk for the future programme.
- 4.23 With potentially significant repair bills, the Council would be more likely to recoup costs sooner if existing debt repayment terms were extended instead of resorting to an inhibition order immediately following an initial debt repayment period. An inhibition order prevents the owner from re-mortgaging or selling their home without repaying the full costs of work. Whilst an inhibition order would ultimately lead to the full repayment of the debt, it would be at a later, undefined time.
- 4.24 The policy is aimed at getting the balance right for both the Council and debtors whilst not encouraging owners to agree payment plans with the Council by default, as the market is more likely to offer more financially attractive alternatives. However, longer repayment terms may be a preferable option for people who are unable to access high street finance but may end up facing an inhibition order if they cannot afford to repay costs within the Council's existing debt repayment terms. As part of its ongoing work, the MTIS will also signpost to organisations that offer independent financial advice. All owners have a responsibility to maintain and repair the common areas of their homes and to meet their share of costs of any works that are carried out.
- 4.25 Additional signposting may include an option for owners to release equity in their homes using schemes operated by organisations, such as, the Equity Release Council. Options include release of part or all the equity value of your home with no monthly repayments. These schemes are regulated by the Financial Conduct Authority and are available to owners over 55 years of age. Owners are advised to seek their own legal and financial advice in relation to this.
- 4.26 A further measure to secure outstanding debt will be the introduction of an additional process to secure debt using a Notice of Potential Liability (NoPL), which was introduced by the Tenement (Scotland) Act 2004. The debt is registered on the burdens section of the property title at the land register which has an advantage over an Inhibition Order. The NoPL is renewed every three years and would be used alongside a re-payment plan arranged with the Councils debt recovery service for debt resulting from the unpaid invoices in relation to the MTIS Pilot.
- 4.27 The Council's rate of interest applicable for MTIS debt in re-payment plans is 6%. In accordance with the Council's Scheme of Delegation, the Service Director for Finance sets and reviews the interest rate. The Council interest rate level may

reduce the risk of bad debt by encouraging owners to find an alternative lender. However, some owners may not be able to secure funding through loans from the financial marketplace due to a poor credit rating. Additionally, interest rates at 6% may be perceived as penalising those owners and investigations into interest rates charged by other local authorities for this type of debt has shown, of those respondents, the Council's interest rate was the highest. In order to support the delivery of the pilot, the Council's rate of interest for MTIS debit in repayment plan will be reduced from 6% to 4%.

- 4.28 Loans of up to £10,000 at 0% interest may also be available to owners through Home Energy Scotland (HES). The Mixed Tenure team are working with Home Energy Scotland and the Energy Saving Trust to share knowledge and understanding of the processes for owners. These loans are not secured on their property and are personal loans. HES will verify affordability prior to approval. Energy Savings Trust have been asked if the loan terms can be extended for owner occupiers. EST are to take this proposal to Scottish Government, who have the power to change this.
- 4.29 Risks of further enhancement to the SoA will need to be carefully monitored with relevant mitigating actions taken to ensure they are contained as far as possible.
- 4.30 The potential risks include financial risks, such as owners' bad debt as well as reputational, if the Council is not seen to work effectively with owners. Financial controls and robust accounting processes will also be used to manage and monitor the sums due to the Council.
- 4.31 Owners are responsible for maintenance and repairs of common areas but by adapting the SoA, the Council is offering a hierarchy of assistance to help owners carry out essential repairs to their home. The proposal to enhance the existing assistance will have a more positive impact on the cashflow for the Council than increasing the use of inhibition orders. The use of inhibitions secures the debt, but the Council may have to wait several years to get payment of the sums due.
- 4.32 Conversely there are also risks of not tackling essential repairs to common areas. Not investing in the condition of homes would lead to further deterioration of Housing Revenue Account (HRA) assets, increasing the cost of repairs, with the ultimate risk of demolition and resultant loss of housing supply.

## **5. Next Steps**

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- 5.1 Subject to approval of the additional measure the sundry debt policy wording will be amended to reflect the amendments agreed by Committee.

## **6. Financial impact**

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- 6.1 The enhancements to the current scheme of assistance of extending the period for payment plans with the Council to 15 years and a reduction in the interest rate to

4% would be applicable to owner occupiers within the mixed tenure pilot area, reducing the financial risk to the Council. The risks will be regularly monitored and mitigated as far as possible by securing the recovery of the debt by appropriate means, this may be by Inhibition Order or Notice of Potential liability registered on the title deeds at Registers of Scotland.

## **7. Stakeholder/Community Impact**

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7.1 None.

## **8. Background reading/external references**

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- 8.1 [Mixed Tenure Improvement Strategy](#), Housing and Economy Committee, 7 June 2018.
- 8.2 [Mixed Tenure Improvement Strategy](#), Housing and Economy Committee, 24 January 2019.
- 8.3 [Mixed Tenure Improvement Strategy Update](#), Housing and Economy Committee, 6 June 2019.
- 8.4 [Mixed Tenure Improvement Strategy](#), Finance and Resources Committee, 23 January 2020.

## **9. Appendices**

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- 9.1 Appendix 1 – Proposed extension to Debt repayment terms based on Section 11 of Corporate Debt Policy.

## **Appendix 1 - Proposed extended debt repayment terms based on Section 11 of Corporate Debt Policy**

The scale of essential mixed tenure repairs and investment required to common areas of mixed tenure blocks is substantial. The Council's Mixed Tenure Improvement Service (MTIS) will use the Tenement Management Scheme (TMS) to reach majority decisions so that repairs can be carried out to shared areas of mixed tenure blocks. The aim is to engage with owners to help them to meet their responsibilities to carry out and pay for repairs and investment in their homes. The potential option to spread the cost of debt over a more manageable period and will support this. This option will not be available to private landlords. To do this, the following terms will apply:

- (i) A three-month interest-free instalment plan will be offered to all property owners participating in the HRA Capital Programme essential mixed tenure repair work;
- (ii) Payment plans in respect of HRA-led Capital Programme essential mixed tenure repair work will be based on the total combined MTIS debts outstanding for individual property owners as follows:
  - owners with total MTIS debts of up to £5,000 will be offered a payment plan of a maximum of four years;
  - owners with total MTIS debts between £5,000 and £7,000 will be offered a payment plan of no longer than seven years; and
  - owners with total MTIS debts of more than £7,000 will be offered a payment plan of a maximum of fifteen years.

In accordance with the Scheme of Delegation, the Head of Finance will review all relevant factors in determining the interest rate to be applied to HRA-led Capital Programme essential mixed tenure repair-related debt. In order to provide greater certainty, this rate will remain fixed for the full period of repayment.

In exceptional circumstances the Council may consider offering an HRA-led Capital Programme essential mixed tenure repair-related debtor the option of being made subject to a voluntary inhibition. The Council will advise the debtor that financial and legal advice should be sought in this regard.

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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Award of Flexible Purchasing System and Contracts for Temporary Accommodation

Executive/routine	Executive
Wards	All
Council Commitments	9

### 1. Recommendations

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- 1.1 It is recommended that Finance and Resource Committee:
- 1.1.1 Grant delegated authority to the Executive Director of Place, in consultation with the Convenor and Vice-Convenor of the Committee, to finalise and admit providers to the Flexible Purchasing System.
  - 1.1.2 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.
  - 1.1.3 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.
  - 1.1.4 Note that the maximum total spend is 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.

**Paul Lawrence**

Executive Director of Place

Contact: Jill Thomson, Interim Homelessness and Housing Support Senior Manager

E-mail: [jill.thomson@edinburgh.gov.uk](mailto:jill.thomson@edinburgh.gov.uk) Tel: 0131 529 7183

## Award of Contract for Temporary Accommodation and Associated Services, Flexible Purchasing System

### 2. Executive Summary

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- 2.1 The City of Edinburgh Council has a legal statutory duty under the Housing (Scotland) Act 1987 to provide temporary accommodation to people who are homeless or face homelessness.
- 2.2 The nature of Edinburgh's housing market poses significant challenges to providing temporary accommodation within Edinburgh, particularly as the demand for temporary accommodation is easily influenced by changes to the political, legal, economic and social landscape.
- 2.3 Increasing demand, combined with emergent need and lack of contractual flexibility can lead to; non-compliant spot purchasing, increased cost, 'unsuitable' accommodation and residents being placed in accommodation which is not suited to their support needs.
- 2.4 The establishment of the Flexible Purchasing System aims to alleviate those challenges by allowing the Council to react to changes in demand through increasing capacity quickly, compliantly and with a focus on needs of the residents and value for money.
- 2.5 The Flexible Purchasing System will align to the Council's Rapid Rehousing Transition Plan (RRTP) and The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020 (the Unsuitable Accommodation Order).
- 2.6 Delegated Authority is being sought to finalise and admit providers to the Flexible Purchasing System since supplier due diligence is still ongoing and may not be complete in advance of this meeting of the Committee. Delaying approval until the December meeting of the Committee will impact on the Council's ability to capitalise on additional potential capacity that the Flexible Purchasing System will offer.



### **3. Background**

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- 3.1 The City of Edinburgh Council has a legal statutory duty under the Housing (Scotland) Act 1987 to provide temporary accommodation to people who are homeless or face homelessness.
- 3.2 Additionally, The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020, aims to improve temporary accommodation standards, however, it also renders a percentage of Edinburgh's current temporary accommodation unsuitable due to the size and makeup of the accommodation.
- 3.3 The Council currently has several different temporary accommodation contracts, however due to the fast paced, ever changing landscape of temporary accommodation, demand has outstripped the contracted supply. This has left the Council's current provision unsustainable due to a lack of capacity, accommodation proportionate to support needs and contractual flexibility.

#### **3.4 Lack of Capacity**

- 3.4.1 The Council currently has approximately 1100 contracted beds across all forms of accommodation which are continually at full capacity, additionally circa 850 beds are currently being secured via spot purchasing in order to meet demand.
- 3.4.2 The financial cost associated with non-compliant spot purchasing have a significant impact on the Council's overall budget.

#### **3.5 Lack of Accommodation proportionate to Support Needs**

- 3.5.1 A key objective of the RRTP is 'where temporary accommodation is required, this will meet the needs of the household'.
- 3.5.2 Due to capacity issues, securing accommodation which is proportionate to resident's support needs is even more challenging, which can cause limitations on employment opportunities or caring responsibilities.

### **4. Main report**

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- 4.1 Commercial and Procurement Services (CPS) have been working with key officers within Homelessness and Housing Support on a procurement process to establish a Temporary Accommodation & Associated Services Flexible Purchasing System.
- 4.2 Upon reviewing the current situation as discussed above it was agreed a new system was needed to allow the Council to better meet its duty to provide temporary accommodation in line with both the Council's RRTP and the Unsuitable Accommodation Order.
- 4.3 The Flexible Purchasing System has been designed for Homelessness and Housing Support services to allow flexibility within a contractual procurement model, ensuring the Council can react to demand and award contracts in compliance with the Public Contracts (Scotland) Regulations 2015.

- 4.4 Establishment of the Flexible Purchasing System aims to achieve the following;
- 4.4.1 Let a fit for purpose, sustainable contract which is capable of incorporating continuous improvement; reduce non-compliant spot purchasing; maximise value for money and challenge the market to provide better value; house residents in accommodation suited to their needs; improve responsiveness to demand and compliance with regulations; promote Fair Work, Sustainability and Community Benefits, increase stability of supply and incorporate the findings of the Rapid Rehousing Transition Plan, including Housing First into Service Delivery.
  - 4.4.2 Savings achieved through the Flexible Purchasing System will also contribute to the efficiencies required to be delivered through the Homelessness transformation Prevention programme over the next three years.
- 4.5 Due to the nature of the service CPS was able to undertake a procurement procedure in accordance with the Public Contracts (Scotland) 2015 Regulations with the Light Touch Regime applied, allowing improved flexibility whilst still complying with the requirements for transparency, non-discrimination and equal treatment.
- 4.6 CPS published a Prior Information Notice (PIN) on 3rd February 2021 to engage with the market, as described further in section seven.
- 4.7 Using the Light Touch Regime has allowed the Council to build a system capable of changing, growing with demand and incorporating continuous improvement by having pre-qualified providers and removing the requirement to continually advertise contracts. The Flexible Purchasing System will be held on Public Contracts Scotland – Tender (PCST) which allows the Council to open and close the system in line with its changing requirements. When open, the system will allow new entrants to apply to join the system throughout the term without the need for an additional regulated procurement process. Any such applications will only be approved if the provider meets the required criteria, which minimises risk to the Council. Criteria may be amended by the Council from time to time as required.
- 4.8 The system has been designed to allow for the re-procurement of suitable current contracts, when they expire and future requirements including pilots and new models of delivery. Contracts must fall within the scope and nature of the Flexible Purchasing System to do so.
- 4.9 The 10-year proposed term will allow a sustainable temporary accommodation system to be developed. This will allow the Council time to work with providers to gradually build a sustainable supply of appropriate temporary accommodation at the same time as implementing purchasing preferences on a case by case basis to secure better, 'suitable' accommodation.
- 4.10 The Flexible Purchasing System has been split into four main categories; these categories are broad to allow future requirements to be procured through the system. Sub-categories have been used to define individual requirements, these can be amended or added to throughout the term of the system, to reflect demand and ensure the system remains fit for purpose.

4.11 The current categories are as follows;

Category 1: Temporary Accommodation with access to visiting support	1A - Private Rented 1B - Home Share 1C - Shared House
Category 2: Temporary Accommodation with access to residential support	2A – Supported Lodgings 2B – Shared House Inclusive of Support
Category 3: Emergency Accommodation with access to visiting support	Emergency Accommodation when no capacity is available through Category 1 & 2.
Category 4: Associated Services	Further sub-category to be added as required.  For example; Street Work, Visiting Housing Support and Homelessness Prevention.

- 4.12 Each Category has a defined set of criteria dependent on the nature of the service being procured.
- 4.13 Once established, the Council will Call Off individual contracts (Call-Offs) for each requirement. The Council has reserved the right to negotiate all Call-Offs to ensure the service is in the best interest of the service users and achieves value for money.
- 4.14 Category 2 – Temporary Accommodation with access to residential support and Category 4 – Associated Services – were set up for future use when required. Currently contracts are in place for services which would come under these categories, for example; Long Term Supported Accommodation, Homelessness Accommodation with Support for Adults and Young People, Shared Accommodation with Support for Women Suffering Domestic Abuse. Providers were encouraged to apply to join the Flexible Purchasing System and indicate which sub-category they would be able to provide. When required, contracts will be awarded to pre-qualified provider(s) using mini-competitions or direct award as appropriate.
- 4.15 In an attempt to improve the overall quality of temporary accommodation and to encourage compliance with the Unsuitable Accommodation Order, Call-Offs will be awarded for properties which do not breach the Unsuitable Accommodation Order, wherever possible. In order to secure suitable accommodation, it is intended these will be offered longer term contracts, of approximately 2-5 years.
- 4.16 Category 3 is the Council's least preferred form of temporary accommodation, as the accommodation is less likely to be suitable however there is an understanding as identified within the Council's RRTP that there may be situations where there is no capacity immediately available through Category 1 or 2, but the duty to provide accommodation still exists. Where this is the case the Council can award short term call-offs to pre-approved providers through Category 3, to bridge demand in

emergency circumstances without relying on spot purchasing. Call offs will be made on the basis of the best interests of the service user, capacity and ranking. Where possible call-offs will be awarded to Category 3 properties with kitchen and laundry facilities.

- 4.17 After a briefing session for potentially interested providers as described in Section 7, the Flexible Purchasing System was advertised on Public Contracts Scotland, for a period of approximately 6 weeks. Further information on the tender evaluation outcome can be found in appendix one.
- 4.18 It is anticipated that the Flexible Purchasing System will commence on 1 November 2021 for an initial period of 10 years, the Council can cease use of the Purchasing System at any time.

## **5. Next Steps**

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- 5.1 Early indications suggest that the procurement has attracted new capacity however, due diligence is still ongoing and as such finalised capacity may change.
- 5.2 If the proposed approach is approved by the Finance and Resource Committee, CPS will continue to work with the service area to finalise the providers to be admitted to the Flexible Purchasing System.
- 5.3 The Council will review each provider's offering and award contracts which maximise the capacity of suitable accommodation, in line with the Council's priorities.
- 5.4 As the Flexible Purchasing System will be open for application to new providers or previously unsuccessful providers who wish to reapply, throughout the term, resources of both Partnership and Planning and CPS will need to be managed.
- 5.5 The Flexible Purchasing System and subsequent contracts will be managed by Commissioning Officers within Partnership and Planning.
- 5.6 CPS will engage with the Commissioning Officers, to ensure that effective administration and contract management of the Flexible Purchasing System is delivered.
- 5.7 Where providers are unsuccessful in their initial application, they will be able to re-apply as the opportunity will remain open to new applications. If providers need additional support or training to be successful, they will not be penalised or disadvantaged for doing so.
- 5.8 In line with the Public Contracts (Scotland) Regulations 2015, CPS shall publish Contract Award Notices for every new contract as required.

## **6. Financial Impact**

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- 6.1 The proposed service costs would be met from the Council's Housing, Family Support and Fair Work budget.

- 6.2 Due to the market and to reduce the financial impact, the cost: quality ratios have been influenced by the high level of mandatory criteria required by regulations such as; HMO (House of Multiple Occupancy) licensing standards. In addition, some accommodation will also be legally subject to the requirements of the Unsuitable Accommodation Order.
- 6.3 It is anticipated that the total value of the Flexible Purchasing System over the 10-year term could be up to £434m. The anticipated annual value has been established by using current contracts value, current spot purchasing value (excluding COVID-19 accommodation) and future requirement (estimated for contract purposes to be up to 10% growth and based on current rates).
- 6.4 The total value is based on the current mix of temporary accommodation services. This may change over time and will be determined by the implementation of the Homelessness Transformational Prevention Programme and the Rapid Rehousing Transition Plan which are intended to reduce homelessness presentations and decrease demand for temporary accommodation. The reduction of spot purchasing, more extensive use of low-level support accommodation, purchase of properties for temporary accommodation, use of negotiation, increased competition and longer-term contracts for sustainable accommodation will also impact on the total value.
- 6.5 There may also be circumstances when additional demand for temporary accommodation must be met, such as Public Health emergencies (COVID-19) and a Refugee crisis (Afghanistan).
- 6.6 Successful admission to the Flexible Purchasing System is no guarantee of contract.
- 6.7 Finance and Housing, Family Support and Fair Work will establish a spend analysis tracker to ensure contracts are awarded within budget.
- 6.8 The Flexible Purchasing System has a mechanism for price reviews to better reflect market conditions and will be undertaken periodically to achieve value for money, as appropriate Delegation of Authority to the Executive Director of Place will allow for a more responsive, flexible approach to changing trends in homelessness presentations.
- 6.9 The costs associated with procuring this contract are estimated from £20,001-£35,000.

## **7. Stakeholder/Community Impact**

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- 7.1 As the market is predominantly made up of sole trader, micro and SME organisations, it was anticipated several providers would be inexperienced in tendering. As provider buy in was identified as a key measure of success, it was essential to support as many interested providers as possible throughout the process.
- 7.2 In order to engage as many organisations as possible CPS published a Prior Information Notice (PIN) on 3 February 2021 to engage with the market and advertise a Talking Tenders Event.

- 7.3 This event was held virtually in conjunction with the Supplier Development Programme (SDP) on 23rd February 2021. The event thoroughly explained the proposed approach to interested providers, explaining the process of application and developing a step-by-step guidance document. The Supplier Development Programme also offered a range of additional support. There were 71 notes of interest on the PIN with 76 event attendees.
- 7.4 Of those who noted interest on the PIN, 48% were micro organisations, 21% small organisations, 16% medium organisations and 15% large organisations.
- 7.5 94% of attendees reported they felt more confident and encouraged to bid for the opportunity after attending the event.
- 7.6 Presentation slides, a recording of the event and the Q&A were all made publicly available via PCS after the event, alongside information on future SDP Webinars on subjects such as Sustainability, Fair Work Practices, Community Benefits and the use of tendering systems. In addition, providers were issued bespoke step by step guides on how to apply to join the System and how to navigate the online portals.
- 7.7 Once the opportunity was open for application, an additional Webinar was held in conjunction with the Supplier Development Programme, which demonstrated a live walk through of the online tender portal, showing where and how to upload the relevant documents and complete submissions. Again, the recording and Q&A were shared with all providers after the event.
- 7.8 As part of the tendering process questions were included within the tender submission in relation to Fair Work Practices, Sustainability and Community Benefits. Responses demonstrated examples of actions to reduce emissions, make efficient use of energy, use biodegradable or recycled products, minimise waste and use sustainable materials.
- 7.9 Responses also showed a commitment to deliver community benefits, proportionate to contracts awarded, examples include Employability and Skills, Supply Chain and Business Collaboration, Community Engagement and Funding/Sponsorship.
- 7.10 An IIA and DPIA have been completed. The IIA has been submitted for publication.

## **8. Background reading/external references**

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- 8.1 [The City of Edinburgh Council's Rapid Rehousing Transition Plan.](#)
- 8.2 [The Unsuitable Accommodation Order.](#)
- 8.3 [Homelessness Services – Use of Temporary Accommodation.](#)

## **9. Appendix**

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- 8.4 Appendix 1 – Summary of Tendering and Evaluation Process.

## Appendix 1 – Tender Evaluation Outcome

<b>Contract</b>	CT0627 Temporary Accommodation & Associated Services Flexible Purchasing System.
Contract period	120 months
Estimated Contract Value (including extensions)	£434 Million
Procurement Route Chosen	Restricted Procedure – Dynamic Purchasing System with Light Touch Regime.
Admission to the Flexible Purchasing System (Category 1 & 3)	<p>Admission Criteria:</p> <ul style="list-style-type: none"> <li>- SPD (Single Procurement Document)</li> <li>- Financial Probity Assessment</li> <li>- Tender Submission</li> <li>- Pricing Schedule</li> <li>- Property Portfolio</li> <li>- Indication of Capacity</li> <li>- Police Scotland Check</li> </ul>
Admission to the Flexible Purchasing System (Category 2 & 4)	<ul style="list-style-type: none"> <li>- Financial Probity Assessment</li> <li>- SPD</li> <li>- Police Scotland Check</li> </ul>

<b>Category 1 – Temporary Accommodation with Access to Visiting Support</b>		
Tenders Returned	35	
Outcome	Ranked pool of providers based on cost, quality evaluation.	
Cost, Quality Split	Cost: 80	Quality: 20
Quality Threshold	50% of overall average tendered score.	
Evaluation Criterion and Weightings	Criteria	Weighting %
	Q1. Service Delivery Pt.1	20
	Q2. Service Delivery Pt.2	15
	Q3. Management & Staffing	15
Common Questions	Q4. KPIs & Performance Management	10
	Q5. Fair Work Practices	10
	Q6. Business Continuity	10
	Q7. Sustainability	10

	Q8. Community Benefits	10
Evaluation Team	Evaluated by officers from Homelessness and Housing Support.	
Call-Off Methodology	Mainly direct award, with option to mini-competition if required. Call-Offs will be made on the basis of price, capacity, best interests of the residents and ranking.	

Category 2 – Temporary Accommodation with Residential Support		
Tenders Returned	13	
Admission Methodology	Pass / Fail to provide unranked pool of appropriate providers.	
SPD Compliance	SPD verified by officers from CPS.	
Call-Off Methodology	As required, mini-competitions will be undertaken with pre-approved providers. Bespoke tender documents (including Tender Submission, Pricing Schedule, Property Portfolio and Indication of Capacity) will be issued to appropriate providers. Submissions will be evaluated by officers from Homelessness and Housing Support and ranked in line with contract specific cost: quality weightings. Awards will be made to providers based on ranking and consider best interests of the residents and capacity. Police Scotland and Financial Probity Assessments will be refreshed as required. The Council has reserved the right to Direct Award where appropriate to do so.	



Category 3 – Emergency Accommodation with Access to Visiting Support		
Tenders Returned	4	
Outcome	Ranked pool of providers based on cost, quality evaluation.	
Cost / Quality Split	Cost: 80	Quality: 20
Quality Threshold	50% of overall average tendered score.	
Evaluation Criterion and Weightings	Criteria	Weighting (%)
	Q1. Service Delivery – Part One	20
	Q2. Service Delivery – Part Two	15
	Q3. Management & Staffing	15
Common Questions	Q4. KPIs & Performance Management	10
	Q5. Fair Work Practices	10
	Q6. Business Continuity	10
	Q7. Sustainability	10
Evaluation Team	Q8. Community Benefits	
	10	
Evaluation Team	Evaluated by officers from Homelessness and Housing Support.	
Call-Off Methodology	Mainly direct award, with option to mini-competition if required. Call-Offs will be made on the basis of price, capacity, best interests of the residents and ranking.	

Category 4 – Temporary Accommodation Associated Services		
Tenders Returned	9	
Admission Methodology	Pass / Fail to provide unranked pool of appropriate providers.	
SPD Compliance	SPD verified by officers from CPS.	
Call-Off Methodology	As required, mini-competitions will be undertaken with pre-approved providers. Bespoke tender documents (including Tender Submission, Pricing Schedule, Property Portfolio and Indication of Capacity) will be issued to appropriate providers. Submissions will be evaluated by officers from Homelessness and Housing Support and ranked in line with contract specific cost: quality weightings. Awards will be made to providers based on ranking and consider best interests of the residents and capacity. Police Scotland and Financial Probity Assessments will be refreshed as required. The Council has reserved the right to Direct Award where appropriate to do so.	

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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Waiver Extension of Edinburgh Shared Repairs Services Framework Agreement

Routine Wards Council Commitments	Routine All
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### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 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; and
  - 1.1.2 Note the estimated value of the proposed extension up to 31 March 2022 is £605,536.

**Paul Lawrence**

Executive Director of Place

Contact: Peter Watton, Service Director of Sustainable Development

E-mail: [peter.watton@edinburgh.gov.uk](mailto:peter.watton@edinburgh.gov.uk) | Tel: 0131 529 5962

## Waiver Extension of Edinburgh Shared Repairs Services Framework Agreement

### 2. Executive Summary

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- 2.1 This report requests that Committee approves the extension, 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.
- 2.2 The ESRS Framework Agreement was approved by Finance and Resources Committee, on [19 January 2017](#), with an estimated contract value of £20m over a period of four years. As a result of the ESRS service, through empowering homeowners to take responsibility to organise common repairs to the buildings in which their properties are housed, there has only been £1.2m spent throughout the life of the framework. Due to this underspend, approval of this extension is in contract duration only, not value.

### 3. Background

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- 3.1 The ESRS acts as an enforcement service which, upon issue of statutory notices, provides essential repairs to the shared or common areas of private and mixed tenure properties on behalf of private homeowners who have exhausted all other reasonable means of agreeing to undertake a shared repair. The costs of repair are recovered from homeowners under the City of Edinburgh District Council Order Confirmation Act 1991.
- 3.2 The ESRS Framework Agreement was approved by Committee, on 19 January 2017, with an estimated contract value of £20m over a period of four years. As a result of the ESRS service, through empowering homeowners to take responsibility to organise common repairs to the buildings in which their properties are housed, only £1.2m has been spent throughout the life of the framework. Due to this underspend, approval of this extension is in contract duration only, not value.
- 3.3 The procurement exercise to retender the Framework Agreement has been delayed due to the impact of the COVID-19 pandemic and subsequent competing resource requirements. It is currently underway and due to be completed by March 2022.

## **4. Main report**

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- 4.1 In December 2020, a Prior Information Notice (PIN) was published on Public Contracts Scotland (PCS) website to invite potential contractors, with an interest in providing tenement repairs to the shared or common areas of private and mixed tenure properties, to express their interest. Thirty organisations have responded, to date.
- 4.2 The new Framework Agreement will include two Lots made up of eight contractors each. Lot 1 will be for fabric repair works contracts up to the value of £50,000 and Lot 2 will be for fabric repair works contracts valued up to £250,000.
- 4.3 In order to enable the Council to meet statutory duties and provide property owners with an expected level of service, it is necessary to extend the existing framework to continue these Council critical services while the re-procurement process is undertaken and completed.

## **5. Next Steps**

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- 5.1 Any identified works will continue to be provided by the existing Framework Agreement contractors until the new Framework Agreement is in place.
- 5.2 A further report outlining the outcome of the tender process will be reported to Committee, upon completion of the tender exercise, with this report expected to be submitted to the 3 March 2022 meeting of the Committee.

## **6. Financial impact**

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- 6.1 The Framework Agreement does not guarantee work, however, any contracts awarded will be accommodated in the existing ESRS Revenue Budget. These costs are recoverable under the City of Edinburgh District Council Order Confirmation Act 1991.
- 6.2 The total estimated value of the Framework Agreement approved by Finance and Resources Committee' on 19 January 2017, was £5m per annum, however, it was anticipated these costs would not be realised until well into 2018/19 due to the newness of the service. Costs to date have totalled just over £1.2m over the last four years, below initial expectations.
- 6.3 The estimated value of the proposed extension up to the period 31 March 2022 is £605,536.
- 6.4 Based on previous years usage, it is assessed that the aggregated value of contracts awarded via the ESRS Framework, will not exceed the estimated total value approved in 2017.

## **7. Stakeholder/Community Impact**

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- 7.1 Contracts awarded through the existing Framework Agreement will continue to operate under the terms and conditions of the original Framework Agreement.
- 7.2 Risk to public safety is reduced through the Council's ability to respond to urgent defects identified within tenement flats.
- 7.3 No significant environmental impacts are expected to arise from the extension of this Framework Agreement.
- 7.4 This procurement of the existing Framework Agreement adhered to the Council's Sustainable Procurement Policy and the Scottish Government's guidance on Community Benefits.
- 7.5 Risk of challenge from other potentially interested contractors has been assessed as low. The Framework extension period allows the Council sufficient time to complete a competitive tender exercise which provides the market an opportunity to tender.

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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- 9.1 None.

# Finance and Resources Committee

10.00am, Tuesday, 7 October 2021

## Award of Contracts for Community Mental Health

Routine Executive  
Wards  
Council Commitments 34

### 1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.2 Notes 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 Convenor and Vice Convenor of Finance and Resources;
  - 1.2.1 Contracts for the delivery of Community Mental Health Provision for Children and Young People (Lot 1, Locality provision) to Collaborations led by:
    - 1.2.1.1 Home Link Family Support ("Back on Track") for South East (1) at a total value of £573,305;
    - 1.2.1.2 Canongate Youth for South East (2) at a total value of £575,000;
    - 1.2.1.3 The Broomhouse Centre for South West (1&2) at a total value of £1,171,406;
    - 1.2.1.4 The Junction Young People Health and Wellbeing for North East (2) at a total value of £575,000;
    - 1.2.1.5 Circle for North West (1,2 & 3) at a total value of £1,480,507; and
  - 1.2.2 Contracts for the Community Mental Health Provision for Children and Young People (Lot 2, City-wide speciality provision) to Collaborations led by:
    - 1.2.2.1 Barnardo's for Family and Social Adversity (Lot 2a & b) at a total value of £796,780;
    - 1.2.2.2 Tailor Ed Foundation for Neuro-developmental Diversity (Lot 2c) at a total value of £503,127;
- 1.3 Notes 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.

**Julien Kramer**

Interim Director of Communities & Families

Contact: Gillian Barclay (Depute Principal Psychologist) [gillian.barclay@edinburgh.gov.uk](mailto:gillian.barclay@edinburgh.gov.uk)

## Award of Contracts for Community Mental Health Fund

### 2. Executive Summary

- 2.1 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.
- 2.2 Given the need to provide immediate benefit to the wellbeing of young people in the City urgent approval was granted by the Interim Director of Education and Children's Services, in consultation with the Convenor and Vice Convenor of Finance and Resources.
- 2.3 The award of five contracts for locality services and two contracts for city wide provision has been made to the organisations below for a period of three years and up to two years extension at sole discretion of the Council:
- 2.3.1 The provision of locality based mental health support for all children and young people aged 5-24 (26 if care experienced), to collaborations led by the organisations listed below:

<b>Contract</b>	<b>Lead Organisation</b>	<b>Total Value</b>
Lot 1a (South East 1)	Home Link Family Support	£573,305
Lot 1b (South East 2)	Canongate Youth	£575,000
Lot 1c & d (South West 1 & 2)	The Broomhouse Centre (trading as Space)	£1,171,406
Lot 1f (North East 2)	The Junction Young People Health and Wellbeing	£575,000
Lot 1g, h & i (North West 1, 2 & 3)	Circle	£1,480,507



2.3.2 The provision of city-wide mental health support for targeted groups of children and young people aged 5-24 (26 if care experienced) to collaborations led by the organisations listed below:

<b>Contract</b>	<b>Lead Organisation</b>	<b>Total Value</b>
Lot 2a & b (Family and Social Adversity)	Barnardo's	£796,780
Lot 2c (Neuro-developmental Diversity)	Tailor Ed Foundation	£503,127

### **3. Background**

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- 3.1 The Scottish Government has identified that the mental health and wellbeing of children and young people is an area that requires strategic local approaches to ensure needs are identified and supported appropriately at the earliest opportunity.
- 3.2 To enable the commissioning and the provision of such services, the Scottish Government is providing funds to every local authority to be directed towards community mental health for 5 to 24-year olds (26 if care experienced).
- 3.3 The funds were distributed to the Council in two stages. Funds for January to March 2021 of £335,000 and subsequent funds for the financial year 2021 to 2022 estimated at £1,343,000. The Scottish Government has committed to sustaining funding year on year. Early indications are that this will be at the same level.
- 3.4 Phase one was focused on 'Enhancing and Extending' provision to implement immediate changes and provide more of what we already do well. Organisations were invited to submit proposals to extend what they do, based on what they already deliver, the impact and the evidence of demand of services, between March and August 2021. Grants were managed by Edinburgh Voluntary Organisations Council (EVOC), and the process approved by the Education, [Children and Families Committee on 2<sup>nd</sup> March](#)
- 3.5 The results of the Phase one grants process was announced on 1<sup>st</sup> April, with 24 grants awarded (36% of applications received).
- 3.6 Phase two would focus on 'Collaborating and Connecting' with a focus on the Scottish Government aim to provide 'Seamless pathways of support'. Proposals were sought that would join up and connect supports available at a locality and city-wide level that would allow stakeholders, children, young people and their families to identify and access appropriate supports quickly, building on our established Getting It Right For Every Child (GIRFEC) framework.
- 3.7 Procurement support was requested to deliver Phase 2.

## 4. Main report

- 4.1 Commercial and Procurement Services (CPS) published a Prior Information Notice (PIN) in Public Contracts Scotland (PCS) on 16 April 2021 to determine interest from potential providers and inform the market of the tender opportunity. The PIN indicated that 92 organisations expressed interest to deliver this contract.
- 4.2 The PIN sought feedback on the proposed specification. In total, 62 clarification requests/points of feedback from 24 organisations were received.
- 4.3 In addition, potential providers were invited to attend a virtual Event, held on 4 May 2021. In total 35 representatives attended the event from 29 separate organisations.
- 4.4 Following feedback, the specification was amended – notably, the localities and processes for Lot 1 were clarified, creating smaller geographical sub-lots based around high-school catchment areas. The geographical breakdown of Lot 1 is shown in the table below and in Appendix 1:

<b>Lot 1 – Localities</b>	<b>Area Covered</b>	<b>Value of Contract</b>
a) South East 1	Liberton & Gracemount	£115k p/a
b) South East 2	James Gillespie & Boroughmuir	£115k p/a
c) South West 1	Balerno, Currie & Firrhill	£115k p/a
d) South West 2	WHEC, Tynecastle	£115k p/a
e) North East 1	Castlebrae & Portobello	£115k p/a
f) North East 2	Trinity, Drummond & Leith	£115k p/a
g) North West 1	South Queensferry, Royal High School	£100k p/a
h) North West 2	Craigmount, Forresters	£100k p/a
i) North West 3	Craigroyston, Broughton	£100k p/a
<b>Total – 9 contracts</b>		<b>£990k p/a</b>

- 4.5 Additionally, the requirement for collaboration was strengthened and definitions of Lot 2 amended, as follows: 2a – Family Adversity, Lot 2b – Social Adversity, Lot 2c – Neuro-Developmental Diversity
- 4.6 On 28 May 2021, CPS published a Contract Notice, under Social and Specific Services “Light Touch Regime” Procedure involving negotiations, on PCS as set out in the Public Contracts (Scotland) Regulations 2015, with a tender submission deadline of 5 July 2021.
- 4.7 In addition to the Contract Notice, potential providers were invited to attend a virtual event, held on 10 June 2021, to explain the specification and tender process and allow bidders to seek clarification. In total 25 representatives attended the event.

- 4.8 The Council sought collaborative bids for the requirement, which was a Scottish Government priority. This was encouraged as a part of the specification.
- 4.9 Tenderers were limited to winning a maximum of five sub-lots across Lot 1, to ensure no single bidder could win more than 50% of the city localities. This was also to encourage small organisations to bid.
- 4.10 Tenderers were also invited to apply for the entirety of Lot 2, if they felt there was a holistic case for the delivery of all three sub-lots.
- 4.11 Tender responses were received from 11 providers/collaborations, with thirteen tenders for the sub-lots offered in Lot 1 Locality and nine for the sub-lots offered in Lot 2 City Wide.
- 4.12 To identify tenders offering Best Value the tender evaluations were assessed on the basis of the most economically advantageous tender. For both Lot 1 and 2, a cost/quality ratio of 20/80 was applied to ensure that quality was of a high standard and encourage competitive submissions. To further protect the quality element a minimum quality threshold of 50 marks out of 100 was included, with the Council having discretion to disqualify tenders which did not achieve this threshold.
- 4.13 One tenderer did not meet the required quality threshold however as they were the sole bidder for Lot 1e, CPS and the Service Area entered into negotiation with the bidder. Negotiations consisted of a meeting to explain where the bid did not meet the required standard and an invite to amend and re-submit a proposal which better meets the specification by the end of September.
- 4.14 This will be evaluated in line with the published evaluation methodology and minimum quality standards published within the Invitation to Tender.
- 4.15 A summary of the tender process is attached at Appendix 1 and the recommendation for award of contracts is based upon the completed evaluation scored for the tenders as detailed below. The table shows the weighted scores for price (out of 20) and Quality (out of 80).

**Lot 1a South East 1 - Liberton & Gracemount**

<b>Bidder</b>	<b>Price</b>	<b>Quality</b>	<b>Total</b>
Home Link Family Support	19.98	58	77.98
<i>Bidder A</i>	20	45	65
<i>Bidder B</i>	Failed to meet Quality Threshold		

**Lot 1b South East 2 - James Gillespie & Boroughmuir**

<b>Bidder</b>	<b>Price</b>	<b>Quality</b>	<b>Total</b>
Canongate Youth	19.92	60	79.92
<i>Bidder A</i>	20	45	65

**Lot 1c South West 1 - Balerno, Currie & Firrhill**

<b>Bidder</b>	<b>Price</b>	<b>Quality</b>	<b>Total</b>
The Broomhouse Centre	20	61	81

**Lot 1d South West 2 - WHEC, Tynecastle**

<b>Bidder</b>	<b>Price</b>	<b>Quality</b>	<b>Total</b>
The Broomhouse Centre	19.63	61	80.63
<i>Bidder A</i>	20	44	64

**Lot 1e North East 1 - Castlebrae & Portobello**

<b>Bidder</b>	<b>Price</b>	<b>Quality</b>	<b>Total</b>
Bidder B	Not awarded – in negotiation		

**Lot 1f North East 2 - Trinity, Drummond & Leith**

<b>Bidder</b>	<b>Price</b>	<b>Quality</b>	<b>Total</b>
The Junction	20	79	99

**Lot 1g, h & i North West**

<b>Bidder</b>	<b>Price</b>	<b>Quality</b>	<b>Total</b>
Circle	20	72	92

### Lot 2a Family Adversity

Bidder	Price	Quality	Total
Barnardo's	10.03	80	90.03
<i>Bidder C</i>	10.01	65	75.01
<i>Bidder D</i>	20	48	68
<i>Bidder B</i>	Failed to meet Quality Threshold		

### Lot 2b Social Adversity

Bidder	Price	Quality	Total
Barnardo's	10.03	80	90.03
<i>Bidder A</i>	9.99	64	73.99
<i>Bidder C</i>	10.01	61	71.01
<i>Bidder D</i>	20	48	68

### Lot 2c Neuro-developmental Diversity

Bidder	Price	Quality	Total
Tailor Ed Foundation	20	59	79

- 4.16 The seven collaborations are made up of a total 28 different charitable organisations across the city. A full list of those organisations, and the value of their individual elements of the bidding process, can be found in Appendix 2.

## 5. Next Steps

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- 5.1 Due to the urgency of the requirement, urgent approval was sought for these contract awards prior to this report being considered by committee.
- 5.2 The contracts commenced in September 2021 for an initial period of three years with two optional extensions of one year (3 + 1 + 1). The contracts will be due for review in March 2022 and every 6 months thereafter, with the Council able to amend according to funding outcomes from Scottish Government.
- 5.3 The Competitive Procedure with Negotiation process will continue to be followed for Lot 1e (North East 1), with a response evaluated by the end of September.
- 5.4 Contract Management and Implementation will be managed by Education and Children's Services.

## 6. Financial impact

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- 6.1 The funds from Scottish Government for the financial year 2021 to 2022 are estimated at £1,343,000. The Scottish Government is committed to sustaining this funding year on year. Values are still to be confirmed.

Therefore, a first review in March 2022 and six-monthly reviews thereafter will be required to ensure any alterations to central funding are negotiated with the providers in good time.

- 6.2 Lot 1 had an initial allocated budget of £990,000 p/a, with sub-lots 1a-1f allocated £115,000 p/a, and sub-lots 1g, h & i allocated £100,000 p/a. This was based on calculations considering population density for each area, and geographical size of the sub-lot.
- 6.3 The prices quoted by the successful providers will be fixed and applied for the first three years of the contract, however the Council has reserved the right to negotiate with the providers at the beginning of each financial year subject to benchmarking and current market conditions.
- 6.4 Financial assessments have been carried out, and all providers have demonstrated acceptable financial status and considered limited risk to the council.
- 6.5 The costs associated with procuring this contract are estimated to be from £20,000 to £35,000.

## 7. Stakeholder/Community Impact

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- 7.1 Psychological Services within Education, Children and Families have led the collaborative implementation group looking at how to effectively distribute the funds allocated to Edinburgh for the purposes set out in the [Scottish Government Framework](#). The group includes EVOC, Lothian Association of Youth Clubs (LAYC), Psychological Services, the Health and Wellbeing Team, and Child and Adolescent Mental Health Services (CAMHS).
- 7.2 Initial consultation and engagement was undertaken with the provider market during the Phase 1 funding process, in the form of a virtual awareness events. Further market consultation on the proposed specification was made in April via the PIN, along with an online supplier engagement event in May. Members of the Implementation group (EVOC & LAYC) held separate supplier engagement events among their members and fed back to the implementation group. During the procurement further opportunities were advertised for potential providers to engage with Council staff (Supplier Development Programme Meet the Buyer 8 June 2021; Online Supplier Event 10 June 2021). Extensive stakeholder engagement has been carried out and is fully detailed within Appendix 3 of this report.
- 7.3 The engagement of EVOC and LAYC and their feedback on the specification led to the specification being altered to use secondary school catchment areas rather than just city localities, as this better represented communities of the city and allowed

smaller, more locally focused charities the opportunity to collaborate and bid owing to the now smaller financial size of the contract opportunities.

- 7.4 All recommended organisations submitted high quality bids with gaps in current service provision being identified and addressed.
- 7.5 Community Benefits – each provider has committed to an individual community benefits action plan, as required in each tender response. Some of the Community Benefits include: Volunteer/Job opportunities - committing to creating and offering volunteering opportunities to young people accessing the service; supporting local organisations with training and upskilling, areas including Substance-use, Trauma-informed practice, community supports; and environment improvements – delivering local area tidy-up campaigns.
- 7.6 Fair Work – All lead organisations have committed to pay workers (including any agency or sub-contractor workers) the real Living Wage, and 5 of the 7 are either already, or are intending to become, an accredited living wage employer. All organisations have committed to progressing towards adopting the five Fair Work First criteria for workers in the delivery of this contract.

## **8. Background reading/external references**

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- 8.1 [Distribution of Scottish Government Community Mental Health funds - Education, Children and Families Committee Report March 2021](#)
- 8.2 [EVOC Mental Health and Wellbeing Funding Report 2021 \(Phase 1 spend\)](#)

## **9. Appendices**

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- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes
- 9.2 Appendix 2 – List of all Successful organisations
- 9.3 Appendix 3 - Engagement with Stakeholders

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

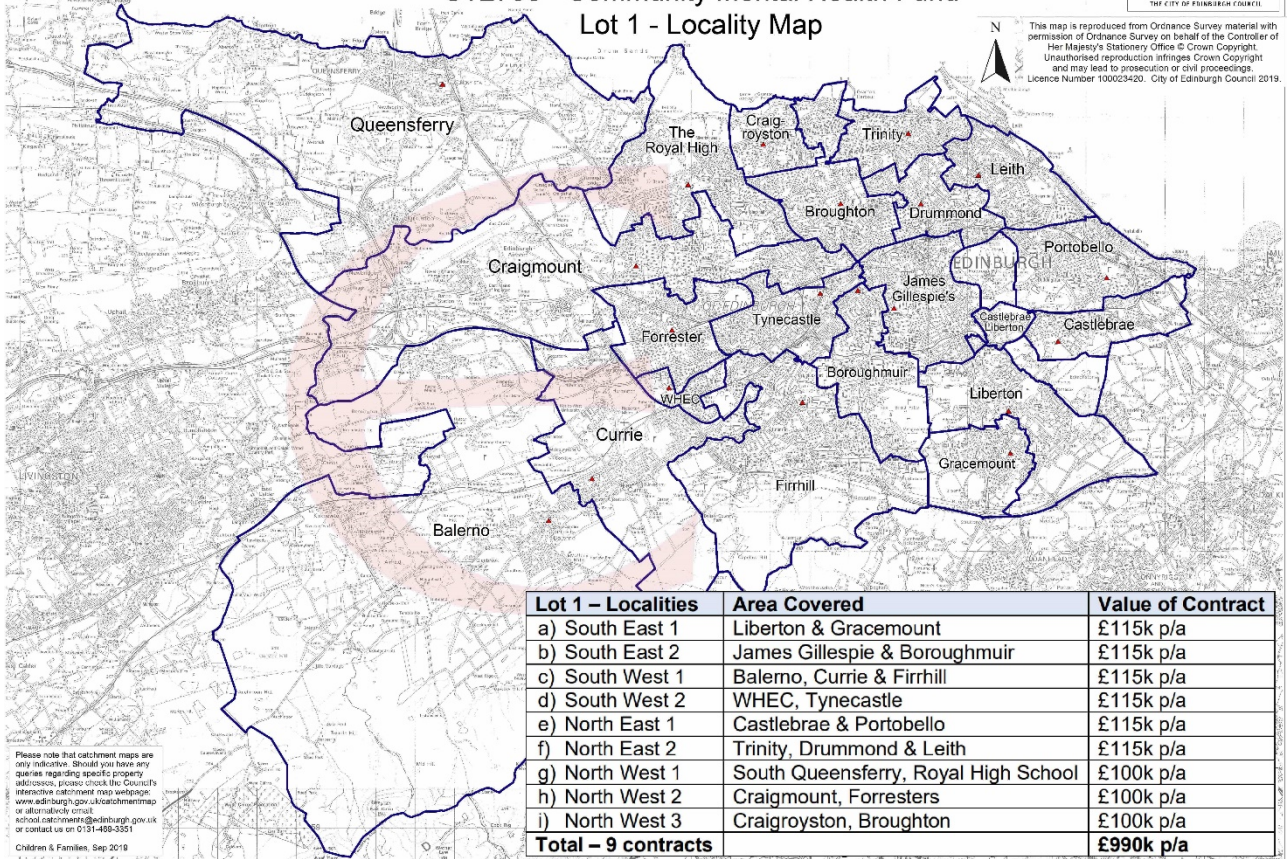
<b>Contract</b>	<b>Community Mental Health Fund Lots 1 &amp; 2</b>	
Contract period (including any extensions)	3 years with the option to extend for up to a further 24 months, undertaken at the sole discretion of the Council.	
Estimated Contract Value (including extensions)	Lots 1a-1f - £115,000 p/a, potential maximum value of £575,000. Lots 1g, h & i - £100,000 p/a, potential maximum value of £500,000 Lots 2a&b - £80,000 p/a, potential maximum value of £400,000. Lots 2c - £100,000 p/a, potential maximum value of £500,000	
Procurement Route Chosen	Competitive Procedure with Negotiation.	
Tenders Returned	11 submissions containing 22 Tenders.	
Name of Recommended Supplier(s)	Home Link Family Support (1a), Canongate Youth (1b), The Broomhouse Centre (1c & d), The Junction (1f), Circle (1g, h & i) Barnardo's (lot 2a & b), Tailor Ed Foundation (lot 2c)	
Price / Quality Split	<b>Price 20%</b>	<b>Quality 80%</b>
	<b>Quality</b> Proposal of Services 25% Collaboration & Partnership 20% Management & Staffing 10% Co-Design and Continuous Improvement 15% Implementation Plan 10% Business Continuity 5% Community Benefits 5% The Environment 5% Fair Work Practices 5%	
Evaluation Team	Each sub-lot had a panel of 3 evaluators, comprised from: Community and Families Principal or Depute Principal Psychologists, Council Educational Psychologists, Locality Team Leaders, and representatives from third-sector members of the projects implementation group from EVOC, LAYC and NHS.	



## CT2793 - Community Mental Health Fund Lot 1 - Locality Map

**• EDINBURGH •**  
THE CITY OF EDINBURGH COUNCIL

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Lot 1 – Localities	Area Covered	Value of Contract
a) South East 1	Liberton & Gracemount	£115k p/a
b) South East 2	James Gillespie & Boroughmuir	£115k p/a
c) South West 1	Balerno, Currie & Firrhill	£115k p/a
d) South West 2	WHEC, Tynecastle	£115k p/a
e) North East 1	Castlebrae & Portobello	£115k p/a
f) North East 2	Trinity, Drummond & Leith	£115k p/a
g) North West 1	South Queensferry, Royal High School	£100k p/a
h) North West 2	Craigmount, Forrester	£100k p/a
i) North West 3	Craigroyston, Broughton	£100k p/a
<b>Total – 9 contracts</b>		<b>£990k p/a</b>

Please note that catchment maps are only indicative. Should you have any queries regarding specific property addresses, please check the Council's interactive catchment map webpage: [www.edinburgh.gov.uk/catchmentmap](http://www.edinburgh.gov.uk/catchmentmap) or alternatively email: [school\\_catchments@edinburgh.gov.uk](mailto:school_catchments@edinburgh.gov.uk) or contact us on 0131-489-3351  
Children & Families, Sep 2018

## Appendix 2 – List of successful organisations

1. This Appendix contains a list of all organisations who are part of a collaborative bid recommended for award within this report. It also includes the contract description, and the value of their first year of funding through the collaboration.

Contract Description	Organisation	Total Annual Value (Year 1)
Lot 1a South East 1	Home Link Family Support (Lead)	£53,671.00
Lot 1a South East 1	Cross-Reach	£60,990.00

Contract Description	Organisation	Total Annual Value (Year 1)
Lot 1b South East 2	Canongate Youth (Lead)	£37,489.00
Lot 1b South East 2	Edinburgh & Lothians Greenspace Trust	£25,697.00
Lot 1b South East 2	U-Evolve	£25,841.00
Lot 1b South East 2	Edinburgh Old Town Trust	£25,973.00

Contract Description	Organisation	Total Annual Value (Year 1)
Lot 1c & d South West	The Broomhouse Centre (trading as Space) (Lead)	£77,032.00
Lot 1c & d South West	Scottish Association for Mental Health (SAMH)	£51,568.00
Lot 1c & d South West	Big Hearts Community Trust	£49,246.00
Lot 1c & d South West	With Kids	£52,004.00

Contract Description	Organisation	Total Annual Value (Year 1)
Lot 1f North East	The Junction Young People Health and Wellbeing (Lead)	£30,000.00
Lot 1f North East	Citadel Youth Centre	£28,000.00
Lot 1f North East	Multi-Cultural Family Base	£13,000.00
Lot 1f North East	Miricyl	£5,000.00
Lot 1f North East	Pilmey Development Project	£13,000.00
Lot 1f North East	The Ripple Project	£13,000.00
Lot 1f North East	YMCA Edinburgh	£13,000.00

Contract Description	Organisation	Total Annual Value (Year 1)
Lot 1g, h & i North West	Circle (Lead)	£71,262.00
Lot 1g, h & i North West	Granton Youth Ltd	£28,800.00
Lot 1g, h & i North West	Intercultural Youth Scotland	£54,900.00
Lot 1g, h & i North West	Muirhouse Youth Development Group (MYDG)	£24,095.00
Lot 1g, h & i North West	Stepping Stones North Edinburgh	£69,213.00
Lot 1g, h & i North West	Youth Agency (WHYA)	£24,773.00

Lot 1g, h & i North West	Pilton Youth and Children's Project (PCYP)	£24,787.00
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<b>Contract Description</b>	<b>Organisation</b>	<b>Total Annual Value (Year 1)</b>
Lot 2a & b Family Adversity	Barnardo's <sup>1</sup> (Lead)	£128,134.00
Lot 2a & b Social Adversity	Families Outside	£60,000.00

<b>Contract Description</b>	<b>Organisation</b>	<b>Total Annual Value (Year 1)</b>
Lot 2c Diversity	Tailor Ed Foundation (Lead)	£31,856.00
Lot 2c Diversity	Autism Initiatives	£37,797.00

<b>Total</b>	<b>28 Organisations</b>	<b>£1,130,128.00</b>
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<sup>1</sup> Barnardo's contract value includes £30,310 p/a for their work in the collaboration for Lot 2c, led by Tailor Ed Foundation. They are the only organisation involved with more than one collaborative bid.  
Finance and Resources Committee 7 October 2024 v0.1

## Appendix 3 - Engagement with Stakeholders

Stakeholder	Communication
Implementation Group (Key external partners)	<p>Psychological Services have led the collaborative implementation group; the group includes EVOC, LAYC, Psychological Services, the Health and Wellbeing Team and CAMHS.</p> <p>They have met approximately monthly to discuss the Tender. During the pre-advertisement stage, implementation group were fully engaged in the specification design.</p> <p>Members of the implementation group were on evaluation panels, and so have seen the processes used and are content with the robustness of the procedure.</p> <p>At all stages, the implementation group were given prior notice of any publications and releases, so that communications to their members could be sent out in a prompt and timely manner.</p>
Third Sector Charities	<p>Initial consultation and engagement undertaken with the supply market during the Phase 1 funding process, in the form of a virtual awareness events in December 2020. Further market consultation on the proposed specification was made in April via the PIN, along with an online supplier engagement event in May.</p> <p>During the procurement further opportunities were advertised for providers to engage with CEC staff (SDP Meet the Buyer 8th June; Online Supplier Event 10th June).</p>

## Finance and Resources Committee

10.00am, Thursday 7 October 2021

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

Item number	
Executive/Routine	Routine
Wards	All
Council Commitments	

#### 1. Recommendations

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- 1.1 It is recommended that the Committee notes the contents of this report and the contract awards made by officers under delegated authority, in accordance with the Council's Contract Standing Orders (CSOs). A further report will be submitted to the Committee in approximately six months' time.

**Stephen S. Moir**

Executive Director of Corporate Services

Contact: Iain Strachan, Head of Commercial and Procurement Services,

Finance and Procurement Division, Corporate Services Directorate

E-mail: [iain.strachan@edinburgh.gov.uk](mailto:iain.strachan@edinburgh.gov.uk) | Tel: 0131 529 4930

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

### 2. Executive Summary

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- 2.1 This report updates the Finance and Resources Committee on the scope of contracts awarded across the Council in the period 1 January to 30 June 2021. This provides visibility of contracts awarded by officers under delegated authority, including 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. 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

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- 3.1 The Commercial and Procurement Services (CPS) team, within the Finance and Procurement Division, is responsible for fostering commercial and procurement efficiency, enabling 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 The 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:
- £719m of third party spend across the Council during 2020/21;
  - Management of the Council's Contract Register – 1,426 live contracts (at 30 June 2021); and
  - Approximately 6,440 suppliers, 1,180 requisitioners and 750 approvers on the Council's Oracle purchasing system (at 30 June 2021).
- 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 Service Directors 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 the contract planning process and compliance with procurement regulations.

- 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. The current version of the CSOs were approved by Council on 4<sup>th</sup> February 2021.
- 3.5 In specific circumstances, direct awards can be undertaken, where it is not practically viable or in the Council's best interests 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**

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- 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 January to 30 June 2021 and provides visibility of the forthcoming procurement programme in relation to expected higher value contracts across the Council. Information with regards to contract awards is as recorded on the Council's Contract Register as of 9 July 2021.
- 4.2 Whilst it is recognised there has been organisational change subsequent to the end of the period to which this report relates, the contracts awarded are noted within the Directorates which they operated under at that time (to June 2021).
- 4.3 It is noted that the COVID-19 pandemic has and continues to impact on the Council's procurement activity during the period. In response to this, actions and control measures have been undertaken to support existing and new contracting requirements, and in turn mitigate the associated risks.
- 4.4 The pandemic is however continuing to present a number of challenges to the Council and its suppliers. CPS is working closely with Directorates to support them through this period. It is though noted that in some cases there has been a requirement to seek approval to waive CSOs in Committee or through delegated officer approval as a result of the pandemic. As ever, such approvals continue to be

constructively challenged and subject to robust scrutiny, to ensure such actions are in the Council's best interests and secure Best Value.

- 4.5 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 below.

**Table 1 Contracts Awarded under Delegated Authority**

Directorate	Total Contract Value 1 January – 30 June 2021
Chief Executive's Service	£343,457
Communities and Families	£40,461,924
Health and Social Care	£53,000
Place	£38,968,490
Resources	£19,559,088**
De Minimis Value Contracts (Under £25,000)	£498,927
** Excludes Income Contract	<b>£99,884,886</b>

- 4.6 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 individually listed. For information, there were a total of 43 contracts awarded in the report period with a value of less than £25,000.
- 4.7 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.
- 4.8 The report also offers insight in respect of those contracts awarded under waiver of the Council's CSOs, both under delegated authority and through Committee approval, these are summarised by Directorate in Table 2 on the following page.

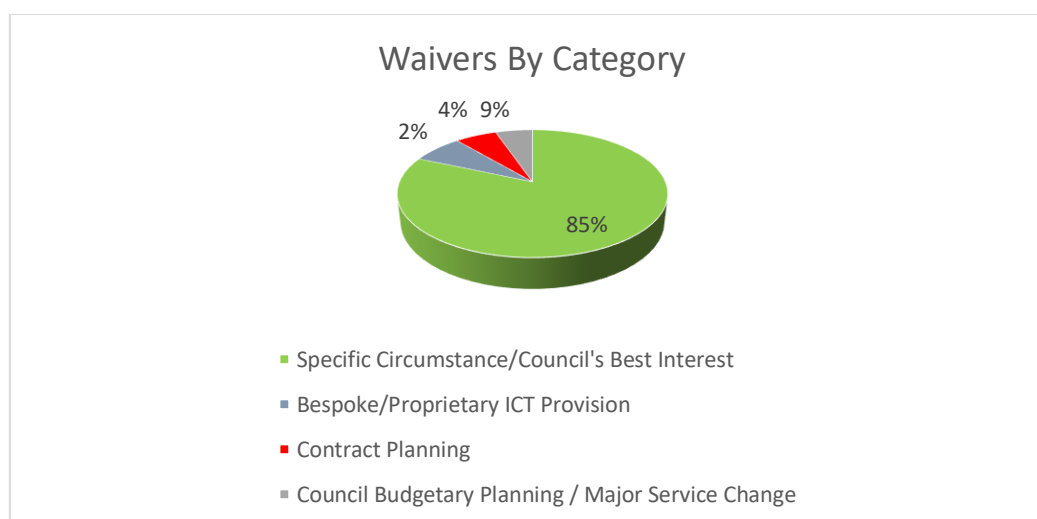


**Table 2 Contracts Awarded under the Waiver of Standing Orders**

Directorate	Total Value of Waivers 1 January – 30 June 2021	
	Delegated Authority	Committee Approval
Chief Executive's Service	£450,992	-
Communities and Families	£2,752,004	£16,531,177
Health and Social Care	£1,461,939	£7,019,098
Place	£2,203,856	£2,901,044
Resources	£1,213,751	£775,000
<b>Total</b>	<b>£8,082,542</b>	<b>£27,226,319</b>

4.9 Appendices 2 and 3 provide the detail and financial value of contracts awarded under waiver of Council CSOs.

4.10 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 provided by the service area) for the waivers in period, noting that only a limited percentage (4%) 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 a further 9% relate to bespoke/proprietary ICT, with the remainder (2%) relating to Council budgetary planning or major service change. These figures are consistent with previous reporting periods. Given the breadth of services delivered across the Council, the reasons for these are numerous and varied, with further detail of requirement for each waiver listed within Appendix 2.



- 4.11 With regard to the value of waivers, the majority continue to be of a relatively low to moderate value, with 22% of waivers £10,000 or less, 48% of waivers £25,000 or less and 71% below the £50,000 regulated threshold. This is largely consistent with previous reporting periods.
- 4.12 CPS continues to monitor and challenge waivers to ensure continuing compliance with the CSOs. The Waiver and Contract Registers provides the required visibility of spend enabling CPS to highlight to Directorates where plans for procurement require to be put in place without delay, to help achieve compliance and Best Value.
- 4.13 To enable greater insight into the forthcoming procurement programme in relation to higher value contracts across the Council, the top sixteen (by value) as well as an indication of the quantity of lower value procurements currently in development, 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**

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- 5.1 A further report will be submitted to the Committee in approximately six months' time.

## **6. Financial impact**

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- 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**

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- 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 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 support. 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 the 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 fully considered in planning 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**

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- 8.1 [Contract Awards and Procurement Programme \(Period 1 July - 31 December 2020\)](#)  
– Report to Finance and Resources Committee, 4<sup>th</sup> March 2021.

## **9. Appendices**

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- 9.1 Appendix 1 - Contracts awarded under Delegated Authority
- 9.2 Appendix 2 - Contracts awarded under the Waiver of CSOs by Delegated Authority
- 9.2 Appendix 3 - Contracts awarded under the Waiver of CSOs by Committee approval
- 9.4 Appendix 4 - Procurement Programme – Anticipated High Value Procurements Across the Council

## Appendix 1 – Contracts awarded under Delegated Authority

The following relate to the period 1 January – 30 June 2021.

### Supply of Goods and Service Contracts

Date	Directorate	Chief Executive's Service	
	Supplier	Contract Description	Value
27/01/2021	University of Edinburgh	PathFinder project, to develop carbon scenario tool for use across Scottish cities, third party funded.	£100,000
26/02/2021	Idox Plc	Printing of electoral material, via Framework.	£105,812
26/02/2021	Idox Plc	Postal votes verification services, via Framework.	£87,645
24/05/2021	Deloitte LLP	Provision of a Regional Growth Framework.	£50,000
			<b>£343,457</b>

Date	Directorate	Communities and Families	
	Supplier	Contract Description	Value
28/01/2021	Action for Children Services Limited	School holiday respite service for children and young people with learning disabilities and challenging behaviour.	£314,055
29/01/2021	Telefonica UK Limited t/a O2	Provision of mobile services to enable remote learning during Covid-19 pandemic.	£440,040
04/02/2021	Phonak Group Ltd	Hearing devices for the hearing impaired.	£80,000
23/03/2021	St Francis Children's Society	Adoption services.	£300,000
23/03/2021	Scottish Adoption Association	Adoption services.	£500,000
23/03/2021	Barnardo's Scotland	Adoption services.	£500,000
23/03/2021	St Andrew's Children's Society Ltd	Adoption services.	£500,000
23/03/2021	St Margaret's Children & Family Care	Adoption services.	£200,000
15/04/2021	Centre for Education & Finance Management Limited	Licence for recording of radio and television broadcasts.	£29,216
27/04/2021	Edinburgh Leisure	Gym equipment for new Meadowbank stadium.	£1,400,000

04/05/2021	Solace in Business Ltd	Interim Executive Director services.	£150,000
06/05/2021	Scotland Yard Adventure Centre Ltd t/a The Yard	Summer term support for children and young people with disabilities.	£79,660
06/05/2021	Scotland Yard Adventure Centre Ltd t/a The Yard	Holiday and term time support (Oaklands Hubs) for children and young people with disabilities.	£212,000
06/05/2021	Scotland Yard Adventure Centre Ltd t/a The Yard	Holiday support provision for children and young people with disabilities, and their carers.	£53,100
01/06/2021	Enable Scotland	Personal care for a young person with complex disabilities.	£170,968
			<b>£4,929,039</b>

Date	Directorate	Health and Social Care Partnership	
	Supplier	Contract Description	Value
17/03/2021	Edge Autism Limited	Specialised respite support for individuals with autism or asperger syndrome.	£25,000
30/06/2021	Life-Pod Clutter Management CIC	Provision of hoarding and self-neglect training.	£28,000
			<b>£53,000</b>

Date	Directorate	Place	Value
	Supplier	Contract Description	
08/01/2021	Risk Management Partners Ltd	Insurance programme for Edinburgh Living LLP via Eastern Shires Purchasing Organisation (ESPO) Insurance Placement Dynamic Purchasing System.	£418,773
11/01/2021	21CC Group Limited	Installation and management of lighting services.	£169,983
25/01/2021	Scotbark LLP	Supply and spread of woodchip in play areas to meet safety standards.	£133,000
16/02/2021	Multi-Supplier Framework	Rope access surveys, minor repairs and associated services framework.	£460,000
26/02/2021	Everwarm Ltd	Ratho external wall insulation services.	£416,000
27/02/2021	Alcumus ISOQAR Limited	ISO external assessment, accreditation and training services.	£66,000
01/03/2021	Jacobs UK Ltd	Development of Active Travel priority actions.	£397,390
01/03/2021	Atkins Limited	Development of Active Travel priority actions.	£112,005
01/03/2021	Sweco UK Limited	Development of Active Travel priority actions.	£131,101
19/03/2021	Electrical Testing Ltd	Structural testing of street lighting columns via Yorkshire Purchasing Organisation (YPO) Framework.	£461,624
22/03/2021	Jacobs UK Ltd	Taxi demand survey and assessment of the demand for private hire cars 2020-23.	£60,780
23/03/2021	P1 Solutions Ltd	Timber planters for the Spaces for People programme.	£103,286
24/03/2021	Aecom Limited	Design engineering services for City Centre West East Link (CCWEL) project via Framework.	£87,523
26/03/2021	Allied Vehicles Limited	Supply of a minibus.	£30,790
31/03/2021	Gas Call Services Ltd	Gas safety training for Council gas engineers to ensure compliance with legislative and regulatory requirements.	£40,000
16/04/2021	Multi-Supplier Framework	Adoption of SXL Framework Agreement (03-20) for Bitumen Products.	£600,000
21/04/2021	Keep Scotland Beautiful	Administration of Green Flag scheme.	£27,000
16/05/2021	Allstar Business Solutions Limited	Supply of fuel cards.	£47,500
07/06/2021	Landcare Solutions (Scotland) Limited	Supply and installation of play park equipment and surfacing, East Craigs.	£81,044

10/06/2021	Fraser C Robb Limited	Supply of forty self-propelled mowers via SXL Framework.	£253,000
			<b>£4,096,799</b>

Date	Directorate	Resources	
	Supplier	Contract Description	Value
08/01/2021	Instock Ltd	Supply and delivery of catering disposables and catering sundries.	£972,000
20/01/2021	XMA Ltd	Adoption of Framework for the provision of tablet, multi-devices and associated accessories.	£4,500,000
20/01/2021	Lane 4 Management Group Limited	Independent review and analysis of organisational culture.	£25,000
25/01/2021	Ross Quality Control Limited	Clerk of Works via Framework for Bangholm sports facility.	£70,382
25/01/2021	Ross Quality Control Limited	Clerk of Works via Framework for Castlebrae High School.	£112,264
05/03/2021	The Furnishing Service Limited	Adoption of SXL Framework for the provision of domestic furniture and furnishings.	£5,200,000
24/03/2021	Oracle Corporation UK Ltd	Oracle database software subscriptions.	£122,000
24/03/2021	Task Service Ltd	Temporary advertising on scaffolding on the City Chambers, income contract.	-£100,000
26/03/2021	We are BPR Ltd t/a We are Lean and Agile	Process management and mapping software to map business process and identify improvements.	£123,200
09/04/2021	Unico Ltd	Supply of PPE nitrile gloves via SXL Framework.	£202,350
20/04/2021	Bloom Procurement Services Limited	Internal audit, external quality assessment.	£26,400
16/05/2021	Calm Training Ltd	Crisis Aggression Limitation Management specialist training provision.	£120,000
28/05/2021	PayPoint Network Limited	Electronic vouchers via framework.	£260,000
31/05/2021	Portakabin (Scotland) Limited	Temporary Classrooms for Sciennes Primary using NHS Shared Business Services Modular Building Framework.	£207,136
** Excludes Income Contract			<b>£11,940,732**</b>

## Works Contracts

It is noted there were no works contracts awarded by the Chief Executive's Service or the Health and Social Care Directorates.

Date	Directorate	Communities and Families	
	Supplier	Contract Description	Value
12/01/2021	McLaughlin and Harvey Limited	Construction works at Bangholm Outdoor Centre via Crown Commercial Services (CCS) Framework.	£9,372,712
18/01/2021	McLaughlin and Harvey Limited	Contract for refurbishment of Darroch House via CCS Framework.	£6,741,528
30/03/2021	Morrison Construction	Pre-construction contract for Maybury Primary School.	£100,000
12/04/2021	Morrison Construction	Development of Wester Hailes Education Centre (WHEC) Phase 1.	£7,090,694
24/05/2021	Robertson Construction Group	Early Years Phase 2, completion of five nurseries.	£12,227,951
			<b>£35,532,885</b>

Date	Directorate	Place	
	Supplier	Contract Description	Value
06/01/2021	Allsports Construction and Maintenance Ltd	Replacement of play equipment at Niddrie House Square.	£66,524
07/01/2021	Luddon Construction Limited	Footway resurfacing and pedestrian crossing upgrade via Transport Infrastructure Framework (TIF).	£142,294
14/01/2021	Hart Builders (Edinburgh) Limited	Design and services stage of Silverlea development to be followed by works stage in due course.	£18,000,000
14/01/2021	Novus Property Solutions Ltd	Internal property refurbishment, Bingham Way.	£56,794
15/01/2021	Barhale Limited	Reservoir repairs at Black Springs and Easter Bavelaw.	£115,817
22/01/2021	Aggregate Industries UK Ltd	Bankhead Drive, carriageway resurfacing via TIF.	£289,487
18/02/2021	Tarmac Trading Limited	Newbridge roundabout carriageway resurfacing, signage and lighting upgrade via TIF.	£246,182
01/03/2021	CCG Scotland Ltd	Granton D1 home demonstrator.	£569,740



12/03/2021	Lock It Safe Ltd	Cycle and scooter parking for various schools.	£29,804
23/03/2021	Markon Ltd	Installation and removal of road markings - A90 Spaces for People programme, via TIF.	£42,500
25/03/2021	T. & N. Gilmartin (Contractors) Limited	Queensferry High Street advanced works package – Town Centre improvements.	£713,359
25/03/2021	L&D Plumbing & Tiling Services Ltd	Emergency replacement of gas boilers, full heating and hot water systems citywide.	£1,831,212
26/03/2021	George Sharkey & Sons Ltd	Powderhall Stables refurbishment.	£1,994,396
16/04/2021	Maclay (Civil Engineering) Limited	High Street - carriageway setts reconstruction, via TIF.	£570,504
22/04/2021	Maclay (Civil Engineering) Limited	Carriageway, footway and cycleway construction and redesign, via TIF.	£155,302
06/05/2021	Earth in Common	Delivery of the 'Nourishing Leith Hub' project, a community croft/hub in Leith, Edinburgh.	£944,744
20/05/2021	Locogen Energy Services Limited	Installation of solar and batteries to domestic properties.	£661,688
21/05/2021	Robertson Construction Group Limited	Construction Delivery Agreement - Dumbryden Phase 2.	£7,307,191
25/05/2021	P1 Solutions Ltd	Calder Park footpath upgrade project 2021.	£76,773
27/05/2021	Markon Ltd	Installation and removal of road markings – provision of daily squad via TIF.	£27,580
11/06/2021	Environtec Ltd	Asbestos reporting within mixed tenure communal areas.	£25,000
11/06/2021	Bell Decorating Group Ltd	Fidra Court roof replacement and stack relining, via Framework.	£508,061
24/06/2021	Maclay (Civil Engineering) Limited	Carriageway resurfacing, footway construction and traffic signals upgrade, Lothian Road via TIF.	£496,739
			<b>£34,871,691</b>

Date	Directorate	Resources	
	Supplier	Contract Description	Value
25/01/2021	Go-Wright Ltd	Render and brick repairs to properties at Jameson Place, Edinburgh.	£100,837
10/02/2021	Zenith S A S Ltd	Dalry Primary School window and roof refurbishment via Contractor Works Framework (CWF).	£477,616
24/02/2021	Maxi Construction Limited	Buckstone Primary School – mechanical and fabric refurbishment works via CWF.	£433,022
11/03/2021	Cornhill Building Services Ltd	Prestonfield Primary School - toilet and rainwater works via CWF.	£229,716
12/03/2021	Maxi Construction Limited	Leith Primary School - kitchen upgrade via CWF.	£469,065
15/03/2021	Maxi Construction Limited	Wardie Primary School - kitchen upgrade via CWF.	£448,318
22/03/2021	Clark Contracts Ltd	Ferryhill Primary School - kitchen upgrade via CWF.	£522,987
22/03/2021	Maxi Construction Limited	Duddingston Primary School - kitchen upgrade via CWF.	£486,869
30/03/2021	Servest Arthur McKay Limited	Colinton Primary School - plant and toilet refurbishment works via CWF.	£319,707
30/03/2021	Servest Arthur McKay Limited	Longstone Primary School - plant and toilet refurbishment works via CWF.	£267,223
31/03/2021	G Grigg and Sons Limited	Roof repairs, chimney works, masonry repairs to front and back and internal common repairs.	£133,021
09/04/2021	Clark Contracts Ltd	Pentland Primary School - toilet and rainwater refurbishment via CWF.	£218,286
22/04/2021	Cornhill Building Services Ltd	Currie Primary School (phase 2) windows and external fabric via CWF.	£380,410
10/05/2021	Servest Arthur McKay Limited	Ford's Road care home, mechanical engineering services via CWF.	£209,277
12/05/2021	Morris & Spottiswood Ltd	Dalmeny Primary School, multi-trade works via CWF.	£450,952
20/05/2021	Morris & Spottiswood Ltd	Abbeyhill Primary School, multi-trade works via CWF.	£319,250
28/05/2021	Cornhill Building Services Ltd	Usher Hall fire upgrade works via CWF.	£141,710
31/05/2021	Cornhill Building Services Ltd	Pod infill at Portobello High School via CWF.	£111,264
15/06/2021	JCI (Demolition & Construction) Limited	Demolition of classrooms at Sciennes via Framework.	£47,508
15/06/2021	Morris & Spottiswood Ltd	Liberton Primary School, fire damage refurbishment works.	£1,296,939
17/06/2021	Cornhill Building Services Ltd	Newcraighall Primary School - ceiling refurbishment works via CWF.	£90,246

18/06/2021	Cornhill Building Services Ltd	Moffat Early Years Centre, multi-trade works via CWF.	£70,746
21/06/2021	Morris & Spottiswood Ltd	Stenhouse Early Years Centre, multi-trade works via CWF.	£54,072
21/06/2021	Clark Contracts Ltd	Deanpark Primary School Annexe, multi-trade works via CWF.	£339,315
			<b>£7,618,356</b>

## Appendix 2 – Contracts awarded under the Waiver of CSOs by Delegated Authority

The following relate to the period 1 January – 30 June 2021.

Waiver No.	Directorate	Chief Executive's Service	
	Supplier	Description / Justification for waiver	Value
Waiver 2449	Iventis Ltd	Event planning software to ensure continuity in planning arrangements.	£24,000
Waiver 2472	The Poverty Alliance	To maintain trusted support for a pivotal group continuing to support work related to ending poverty in the City.	£12,875
Waiver 2473	Shaw & Sons Limited	Specialist election equipment for May 2021 Election, best interests.	£9,021
Waiver 2474	Cherwell Sign Supplies	Screens for polling stations to protect staff and voters at the election in May 2021, best interests.	£35,684
Waiver 2509	Bruynzeel Storage Systems Ltd	Annual maintenance of electronic shelving unit at Murrayburn depot by original supplier, best interests.	£5,400
Waiver 2521	Highland Centre Ltd	Hire of venue to support election count, best interests.	£75,000
Waiver 2546	Waste Action Resource Efficiency Ltd	Recycling of Council goods supporting sustainability and circular economy commitments, best interests.	£5,155
Waiver 2596	S Tanner QC	Supporting independent inquiry, best interests.	£100,000
Waiver 2611	Keirfield Ltd	Specialist support to the Electoral Management Board (EMB), third party funded, Council acting as administrator.	£20,000
Waiver 2616	Highland Centre Ltd	Additional costs relating to hire of venue to support election count, third party funded, best interests.	£129,963
Waiver 2628	Eagle Couriers Scotland Ltd.	Secure delivery and collection of polling materials, third party funded, best interests.	£33,894
			<b>£450,992</b>

Waiver No.	Directorate	Communities and Families	
	Supplier	Description / Justification for waiver	Value
Waiver 2450	Playsafety Ltd	Independent playground condition inspections, best interests.	£49,999
Waiver 2451	Scran Academy CIC	PEF funded, attainment gap curriculum support for pupils with additional requirements.	£18,700
Waiver 2452	BLC Cleaning Services	Specialist cleaning of artificial surfaces, rubber safety surfaces, and play installations until new procurement finalised.	£49,999

Waiver 2453	Thorntons WS Solicitors	Legal support for permanence arrangement for children, best interests.	£6,662
Waiver 2454	Multiple Providers	Continuity of care to young people with disabilities during school holidays, best interests.	£25,000
Waiver 2456	Richmonds Hope Bereavement Project	Short extension to bereavement support for young people to allow procurement exercise time to complete, best interests.	£24,175
Waiver 2457	Heartstone	Support for challenging hate crime for young children, best interests.	£7,500
Waiver 2458	Edinburgh Community Food Initiative	Food boxes for Discover families to allow them to take part in online school holiday provision.	£25,000
Waiver 2459	The Real David Cameron Ltd	Support to the development of the Creative Learning Network across Edinburgh.	£25,000
Waiver 2464	The Action Group	Short extension until procurement process undertaken for Carers Support Services for BAME communities, continuity.	£73,248
Waiver 2475	Edinburgh City Rentals Ltd	Homelessness home-share, best interests with regards to costs for temporary accommodation.	£10,000
Waiver 2476	JCS Online Resources Limited	Short term extension to existing library services to allow time to review service and retender, service continuity.	£8,100
Waiver 2478	Circle	Short term extension to family support contract, to allow procurement exercise to be undertaken.	£242,530
Waiver 2481	XS Locksmiths	Locksmiths for replacement locks on temporary accommodation, best interests.	£10,000
Waiver 2482	Barnardo's Scotland	Contract extension for staff training into identification of child exploitation, to allow procurement exercise to be undertaken.	£27,756
Waiver 2483	The Action Group	Short extension until procurement process undertaken for Carer Support Services for BAME communities, continuity.	£12,208
Waiver 2485	Collaborate & Innovate Ltd	Extension to contract for Early Years clothing and equipment to allow procurement exercise to be undertaken.	£85,000
Waiver 2489	GP Wolffe Ltd	Continuation of project from WHEC Futures Group.	£8,000
Waiver 2493	The Yard	Holiday support to children and young people with a disability, best interests.	£189,000
Waiver 2495	Career Ready	Career support for school pupils, best interests.	£18,550
Waiver 2499	Lisson Grove Benefits Program Ltd	Extension to benefit entitlement checking service, best interests.	£5,600
Waiver 2500	Wireless CCTV Ltd	Mobile camera purchase to be compatible with existing back office system.	£7,000
Waiver 2502	Pyranha Mouldings Ltd	Purchase of kayaks and canoes for outdoor centres, direct from supplier, best interests.	£16,000

Waiver 2503	Peak UK Kayaking Company Limited	Paddle sport equipment for outdoor centres, direct from supplier, best interests.	£10,000
Waiver 2504	Stewart Shaw Ltd	Building and repair contractor for Benmore outdoor centre, supplier and staff based local to the centre, best interests.	£20,000
Waiver 2505	Greig Johnson Pianos	Piano tuning for schools, best interests.	£21,000
Waiver 2512	Advanceworx Creative Communications Limited	Outdoor learning website, ongoing maintenance, security and development needs, ICT proprietary.	£35,000
Waiver 2520	RCJ Contracts Ltd	Supply and maintenance of key safe boxes, best interests.	£25,000
Waiver 2530	Trotec Laser Limited	Replacement laser by original equipment supplier within design and technology department.	£6,000
Waiver 2534	SAS Petzl Distribution	Replacement of specialist climbing equipment essential for service delivery for outdoor centres, best interests.	£10,000
Waiver 2536	Multi-supplier Framework	Independent psychological assessments to support permanence orders, best interests.	£94,840
Waiver 2537	Social Bite Limited	Homeless accommodation for the Social Bite Village, best interests.	£131,400
Waiver 2545	Royal Voluntary Service	Provision of volunteers to deliver our housebound and library link services, best interests.	£35,000
Waiver 2548	Hearthworks Limited	Relocation of yurt by original supplier due to need for specialist dismantle and reinstallation, best interests.	£17,165
Waiver 2551	Bethany Christian Trust	Link worker service for the Welcome Centre, third party funded for FY 20/21.	£29,000
Waiver 2552	XS Locksmiths	Locksmiths for replacement locks on temporary accommodation, best interests, FY 21/22.	£15,000
Waiver 2557	Sumdog Ltd	Interactive website to support school children's learning, continuity and best interests.	£70,000
Waiver 2560	Duomo (UK) Limited	Urgent requirement to purchase CO2 monitors for schools relating to ventilation around Covid-19, best interests.	£45,000
Waiver 2584	South East Scotland Regional Scout Council	Venue for adventurous activity days for primary school children, best interests.	£25,000
Waiver 2592	Lothian Autistic Society	Easter support programme for children and young people with a disability over the holiday period, best interests.	£19,137
Waiver 2594	Credo Care Ltd	Foster care for a child with severe disabilities, continuity of care.	£90,000
Waiver 2595	Cameron Guest House Group	Self-contained accommodation for homeless, contracted accommodation has no further capacity, best interests.	£250,000

Waiver 2598	KC Properties Scotland Ltd	Accommodation for homeless, contracted accommodation has no further capacity, best interests	£250,000
Waiver 2603	Triple P UK Limited	Licensed parenting programmes for users in Edinburgh, exclusive rights to training and resources.	£18,604
Waiver 2617	Mercurytide Ltd	ICT support for joininedinburgh.org website for Lifelong Learning, proprietary rights.	£50,000
Waiver 2620	iBase Media Services Ltd	ICT proprietary support and hosting to digitised library services.	£6,300
Waiver 2624	The Liliash Graham Trust	Residential placement to allow clinical independent assessment as required by the court, best interests.	£49,000
Waiver 2625	Edinburgh City Rentals Ltd	Homelessness home-share, best interests with regards to costs for temporary accommodation.	£40,000
Waiver 2626	Stepping Stones North Edinburgh	Extension to early intervention services to young parent families to allow tendering to be undertaken, best interests.	£50,000
Waiver 2627	Sumdog Ltd	Interactive materials for pupils, numeracy and mathematics development across Edinburgh schools, continuity.	£155,000
Waiver 2634	ClickView Limited	Cloud-based multimedia content, aligned to Curriculum for Excellence and already in use across Council schools, continuity.	£48,536
Waiver 2636	Calabar Education Consultants Ltd	Specialist equality related support to schools, continuity and best interests.	£5,000
Waiver 2639	Rock Trust	Feasibility study into current approach to managing youth homelessness, best interests.	£30,000
Waiver 2640	Dunedin Canmore Housing Ltd	Match funding for resettlement flats providing 'move on' accommodation for homeless or rough sleeping, best interests.	£15,000
Waiver 2641	Abacus Playgrounds Limited	Childs playground surfacing for schools, best interests.	£49,995
Waiver 2643	Wireless CCTV Ltd	COP26 urgent requirement for additional CCTV cameras, compatible with existing systems, third party funded.	£91,000
			<b>£2,752,004</b>

Waiver No.	Directorate	Health and Social Care Partnership	
	Supplier	Description / Justification for waiver	Value
Waiver 2497	Life-Pod Clutter Management Cic	Specialist care services, relating to people at significant risk as a result of hoarding and self-neglect, sole supplier.	£200,000
Waiver 2498	Change Grow Live and Turning Point Scotland	Outreach from recovery hubs into treatment services for homeless patients, best interests.	£190,000

Waiver 2507	Shift 8 Limited	Dementia therapy table for care homes, consistent with others purchased in other care homes, best interests.	£6,000
Waiver 2508	Alzheimer Scotland-Action on Dementia	Young Onset Day Opportunities Service until new procurement undertaken, service continuity.	£206,574
Waiver 2510	Circle	Extension to existing support for children affected by parental substance abuse to allow for retendering exercise.	£176,835
Waiver 2516	Cornerstone Community Care	Older people day opportunities, short term extension to allow further service assessment and procurement undertaken.	£55,000
Waiver 2527	Autism Initiatives UK	Service providers wide range of support, information and advice to autistic adults in Edinburgh, best interests.	£73,366
Waiver 2528	Tanshe Limited	Historic debt for care provider chosen originally by individual family.	£32,239
Waiver 2540	OLM Systems Limited t/a Partners for Change	Contract extension to ensure continuity of support for the EHSCP Transformation Programme, best interests.	£92,000
Waiver 2571	Clayton Care Ltd	Specialised respite support for individuals with learning disabilities, best interests.	£25,000
Waiver 2572	Scottish Huntington's Association	Specialist support for people with Huntington's disease, previously provided by the NHS, best interests.	£42,448
Waiver 2580	SPIE Scotshield Ltd	Extension to existing ATEC24 telecare contract whilst procurement exercise is undertaken.	£230,000
Waiver 2591	Jontek Ltd	Sole supply ICT service to monitor vulnerable citizens across the City who require emergency health and social care.	£87,477
Waiver 2633	Star Staff Solutions Ltd	Deep cleaning, contracted supplier unable to support full demand, best interests.	£5,000
Waiver 2646	Star Staff Solutions Ltd	Short term contract for dirty work clearance whilst residences occupied, best interests.	£40,000
			<b>£1,461,939</b>



Waiver No.	Directorate	Place	Value
	Supplier	Description / Justification for waiver	
Waiver 2445	Viridor Enviroscot Ltd	Extension to communal glass collection service contract to allow time to bring this service in-house.	£230,000
Waiver 2446	ACS Physical Risk Control Ltd	Technical support in the development of an Asbestos Management System, best interests.	£50,000
Waiver 2462	Hutton + Rostron Environmental Investigations Limited	Update to masonry moisture and timber decay survey of Powderhall Stables by original supplier, best interests.	£5,805
Waiver 2477	New Practice Limited	Project delivery of vacant Craigmillar site to support the wider regeneration investment in the area, best interests.	£170,000
Waiver 2479	British Telecommunications PLC	Telecom line for alarm system to protect the wellbeing and safety of sheltered house tenants, service continuity.	£95,000
Waiver 2487	Texthelp Limited	Three year licence for housing related website, proprietary.	£5,994
Waiver 2488	Atalian Servest Security Limited	Vehicle charging infrastructure by contractor currently providing this work at other locations, third party funded.	£80,120
Waiver 2490	Ashurst LLP	Continuity of advice relating to Edinburgh Tram contracts.	£60,000
Waiver 2491	Wireless CCTV Ltd	Supply, installation and communications for CCTV system, to be compatible with existing systems currently in place.	£36,000
Waiver 2511	Pentagull Ltd	ICT booking system for public access to Household Waste Recycling Centres (HWRC) as a result of COVID 19.	£6,500
Waiver 2513	Vivedia Limited	Music and audio-visual tributes for funerals, continuity of service.	£49,000
Waiver 2514	Pump Action Limited	Urgent health and safety related repairs to Ross Fountain, by original supplier.	£15,000
Waiver 2519	Elite Office Furniture UK Ltd	Furniture for Asymptomatic Test Centres on behalf of the NHS/Scottish Government as a result of Covid-19, urgency.	£35,612
Waiver 2526	Vodafone Limited	Internet link from the Council's traffic systems servers to on-street and remote equipment, ICT proprietary.	£15,000
Waiver 2529	Flowplant Group Ltd	Graffiti removal machinery in the form of water compressors, regular servicing and repair of the equipment, sole supplier.	£24,000
Waiver 2539	Tetra Tech Environment Planning Transport Limited	Structural survey of Granton Gasholder, by supplier who has undertaken these previously, best interests.	£8,813
Waiver 2542	TRL Ltd	Extension to existing ECO Stars contract to allow tendering to be undertaken, continuity of service.	£18,000

Waiver 2543	D Stewart Fencing	Interim contract to ensure street nameplates are supplied, erected and maintained whilst tender process is undertaken.	£10,000
Waiver 2550	John Doe Group Ltd	Specialist PR for cultural venues, best interests.	£15,000
Waiver 2556	CityFibre Limited	General support to the trams project relating to existing CityFibre utility infrastructure, proprietary.	£86,310
Waiver 2558	Now Wireless Limited	Purchase of communications equipment for existing traffic signals compatible with existing secure communications.	£8,030
Waiver 2559	Coeval Limited	Extension to existing maintenance contract to avoid collisions with low bridges to original supplier, service continuity.	£58,066
Waiver 2562	Amazon Web Services, Inc	Annual support and improvements to existing web mapping software, ICT proprietary.	£6,500
Waiver 2566	Byland Engineering Ltd	Land stabilisation works at Dean Path slope, sub-contract, best interests.	£18,600
Waiver 2567	Roderick Maclean Associates Ltd	Specialist services to support planning appeal by supplier who undertook original study, best interests.	£15,000
Waiver 2569	Water Gems Alba	Replacement of boardwalk at Inverleith Park by original supplier.	£5,200
Waiver 2576	Robertson Construction Group Limited	Design and construction of homes for tenants with specialist support needs, by contractor already on site, best interests.	£82,359
Waiver 2577	Jump Research Ltd	Research and analysis of Spaces For People consultation by supplier undertaking similar work, best interests.	£25,000
Waiver 2578	Hormann (U.K.) Limited	Repair of specialised doors at Bankhead and Seafeld depots by the original door supplier.	£7,500
Waiver 2581	Rhinowash Ltd	Ongoing hire of vehicle wash equipment installed at a number of Council depots across the City, best interests.	£23,000
Waiver 2582	Ktsi (UK) Design Centre Limited	Purchase of equipment to support research into induction charging of electric vehicles, third party funded.	£45,000
Waiver 2585	Portakabin (Scotland) Limited	Temporary public conveniences, urgency and best interests.	£240,000
Waiver 2586	Living Streets	Specific motivational tool to encourage more active travel in schools and modal shift, best interests.	£30,000
Waiver 2587	JBV Demolition Limited	Removal of three loose elements from the listed gas holder structure, health and safety related urgency.	£11,088
Waiver 2589	Story Contracting Limited	Urgent works to repair a collapsed culvert, health and safety.	£50,000
Waiver 2593	McGregor McMahon (Scotland) Ltd	Land stabilisation works at Dean Path slope, sub-contract, best interests.	£6,900
Waiver 2597	R & A Software Systems Ltd	Annual renewal of the software license for Ezytreev (tree risk management database), ICT proprietary.	£7,320

Waiver 2599	Tradstocks Ltd	Extension to existing stone supply contract for continuity until new contract in place	£50,000
Waiver 2600	Straininstall UK Limited	Structural health monitoring equipment on Burnshot Bridge, continuity of service by original supplier.	£16,940
Waiver 2602	George Sharkey & Sons Ltd	Additional construction works at Powderhall by contractor already working on site, best interests	£189,313
Waiver 2604	Pinsent Masons LLP	Short extension to ongoing legal services work relating to BioQuarter project, continuity and best interests	£8,680
Waiver 2605	Rettie & Company Limited	Urgent development of economic model to support application for funding bid, best interests.	£6,000
Waiver 2607	Agrovista UK Ltd	Supply of weed killer compatible for use with existing equipment and health and safety benefits, best interests.	£49,999
Waiver 2608	Storm ID Ltd	Rebranding of edinburgh.org website (the Council's destination marketing platform), ICT proprietary.	£15,000
Waiver 2622	Penna PLC	Recruitment support for a dedicated Housing Health and Safety specialist, contracted supplier unable to provide, best interests.	£49,000
Waiver 2623	Lothian Shopmobility	Provision of manual and powered wheelchairs and scooters, to those who require mobility assistance, best interests.	£78,207
Waiver 2635	Woodburn Engineering (Contracts) Ltd	Specialist repair works to bespoke steel lifting bridge over the Water of Leith by original supplier, best interests.	£10,000
Waiver 2637	UOE Accommodation Ltd t/a Edinburgh First, Eskmills Outside Catering Ltd t/a Hickory and Heritage Portfolio Ltd	Short extension to catering contract, procurement delayed due to Covid-19, best interests.	£75,000
			<b>£2,203,856</b>

Waiver No.	Directorate	Resources	
	Supplier	Description / Justification for waiver	Value
Waiver 2271	Veracity Systems Ltd.	Intruder alarm response for Council properties, ICT proprietary.	£6,365
Waiver 2463	XpertHR	Comprehensive reward and benefits benchmarking tools, required for Council's Reward Strategy, best interests.	£9,912
Waiver 2465	Multiple Suppliers	Extension to critical technology framework to allow effective communication with citizens from minor ethnicity communities, best interests.	£22,000
Waiver 2468	LearnPro, Brightwave	Extension to licences for the platforms which provide employees with access to essential learning, best interests.	£22,000
Waiver 2469	Symetri Limited	Licence renewal for AutoCAD 2D and 3D, ICT proprietary.	£35,730
Waiver 2496	Veolia ES UK Limited	Utility supplies for Seafield offices by existing supplier, proprietary.	£120,000
Waiver 2501	JLT Speciality Limited	Legacy insurance cover for council house owners.	£20,000
Waiver 2506	TESGL Limited	Short term extension to Building Energy Management Systems, best interests.	£50,000
Waiver 2518	Aver Corporate Advisory Services Ltd.	Historical legal costs, best interests.	£11,629
Waiver 2524	Team Netsol Ltd	Extension to processing system for Housing Benefit and Council Tax Benefit forms, best interests.	£57,600
Waiver 2532	University of Stirling	Training and certification in adult protection, best interests.	£9,336
Waiver 2533	Balfour Beatty Construction Scottish and Southern Ltd	Repairs to specialist ceiling covering by original supplier, best interests.	£50,000
Waiver 2538	E.D.P. Health, Safety and Environment Consultants Limited	Continuity of services relating to asbestos survey information, best interests.	£140,617
Waiver 2547	Thorntons WS Solicitors	Specialist legal support by supplier previously involved and thus has full background knowledge, best interests.	£5,000
Waiver 2553	M and A Landscaping	Short extension to landscaping contract, delayed due to Covid-19, service continuity.	£37,952
Waiver 2554	Spotless Commercial Cleaning Ltd	Extension to existing cleaning contract as a result of tender delay due to Covid-19.	£38,000
Waiver 2555	University of Edinburgh	Hosting and support of digital applications operated by a number of Council business areas, best interests.	£35,000
Waiver 2563	SPIE Scotshield Ltd	Extension to existing CCTV maintenance contract to allow tender process to be finalised, service continuity.	£93,000

Waiver 2564	BESA Publications	Subscription schedules annual renewal relating to Hard Facilities Management, proprietary.	£16,000
Waiver 2565	S L Sales & Services	Maintenance of heating plants by specialist engineer familiar with this equipment, best interests.	£35,000
Waiver 2568	Local Planet Solutions Ltd	Provision of Interpretation and Translation Service (ITS), best interests.	£5,620
Waiver 2570	Maybo Ltd	Continuation of essential training whilst assessing future need and delivery methods due to Covid-19, best interests.	£20,000
Waiver 2573	Wolters Kluwer UK Limited	Continuity of contract for electronic working papers and management system currently used by Internal Audit.	£30,000
Waiver 2574	CSL (Dualcom) Ltd	Provision of auto-diallers required for the Council's security monitoring system, direct from supplier, best interests.	£30,000
Waiver 2610	MacRoberts LLP	To ensure continuity of legal advice in relation to Council ALEO, best interests.	£50,000
Waiver 2619	Karing International Limited	Short-term requirement for frozen drinks to schools, whilst tendering process undertaken, best interests.	£40,000
Waiver 2621	Edinburgh Chamber of Commerce	Delivery and co-ordination of Edinburgh focused COP26 events programme through extensive business and public sector links, best interests.	£106,000
Waiver 2629	FES Support Services Ltd	Short extension to intruder alarm and detection contract, to allow time for contract to move under new Hard FM Services.	£45,000
Waiver 2630	Continental Landscapes Ltd	Short term extension to winter gritting contract at various Council sites, tender process delayed due to Covid-19.	£24,347
Waiver 2631	Hays Specialist Recruitment Ltd	Short term specialist agency staff for urgent health and safety related works, contracted supplier unable to source.	£12,643
Waiver 2638	Deaf Action	Provision of a British Sign Language interpreting service, sole supplier operating within Edinburgh, best interests.	£35,000
			<b>£1,213,751</b>

### Appendix 3 – Contracts awarded under the Waiver of CSOs by Committee approval

The following relate to the period 1 January – 30 June 2021. It is noted there were no waivers approved at Committee for Chief Executive’s Service.

Waiver No.	Directorate	Communities and Families	
	Supplier	Description / Justification for waiver	Value
2517	Multi-supplier Framework	Temporary accommodation on a spot purchase basis to supplement the current contracted provision of accommodation, the need for which has risen as a result of the Covid-19 pandemic, to ensure temporary accommodation is available to meet demand.	£16,149,640
Waiver 2541	Action For Children	Overnight provision for disabled children and young people as part of a service level agreement with NHS Lothian, and the other Lothians councils and purchase of additional outreach support for families should this be identified as part of their support plans. Part third party funded.	£381,537
			<b>£16,531,177</b>

Waiver No.	Directorate	Health and Social Care	
	Supplier	Description / Justification for waiver	Value
Waiver 2615	Multiple Suppliers	Contract extensions to a number of services (Shared Overnight Support, Disabilities Complex Care, Edinburgh Crisis Centre and Agency Staffing) due to delay to commissioning activities for new contracts and services as a result of Covid-19 pandemic.	£7,019,098
			<b>£7,019,098</b>

Waiver No.	Directorate	Place	Value
	Supplier	Description / Justification for waiver	
Waiver 2447	Changeworks Resources for Life Ltd	Extension to Housing Energy Projects Delivery Partner work, best interests.	£51,394
Waiver 2448	J A B Services UK	Independent technical advice services to the Tram Extension Project Board to the end of the project, best interests.	£55,000
Waiver 2466	Multiple Providers	Short term extensions to existing contracts as a result of delay in programme of rollout of new Bustracker systems due to Covid-19. This will permit continued full operation of the current system until the new system is fully installed and operational.	£1,000,000
Waiver 2612	Flowbird Transport Limited,	Tram ticketing equipment, necessary update to the ITSO certification as has become obsolete, best interests.	£638,000
Waiver 2613	Turner & Townsend / Anturas Consulting	Continuing provision of Programme Management Office (PMO) support for the Active Travel Investment Programme (ATINP), best interests.	£411,650
Waiver 2614	Viridor Waste Management Ltd	Continue collection and reprocessing of mixed glass from communal glass banks and supermarket glass banks until the Scottish Government's Deposit Return Scheme (DRS) is in place and a future contract specification can be fully understood, developed and tendered.	£745,000
			<b>£2,901,044</b>

Waiver No.	Directorate	Resources	
	Supplier	Description / Justification for waiver	Value
Waiver 2467	RON Services Limited	Short term extension for electrostatic fogging services to ensure continuity, flexibility and contingency to enable the procurement process for a new contract to be completed.	£400,000
Waiver 2662	TESGL Limited	Short term extension to Building Energy Management System to enable time for procurement of the replacement service.	£375,000
			<b>£775,000</b>



## 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
Shared Repairs Service Framework	W	Place	£5m and above	Dec 2021
Occupational Health Services	S	Corporate Services	£5m and above	Jan 2022
Clerk of Works Framework	S	Place	£5m and under	Jan 2022
Event Catering and Services	S	Place	£5m and under	Jan 2022
Event Crew and Equipment Hire	S/G	Place	£5m and under	Jan 2022
Large Format Print and Installations	G/S	Corporate Services	£5m and under	Jan 2022
Employability Services	S	Place	£5m and under	Mar 2022
Independent Advocacy Services	S	H&SC	£5m and under	Mar 2022
Supply and Maintenance of Aids for Daily Living	G/S	H&SC	£5m and above	Mar 2022
Roads and Transport Infrastructure Framework	W	Place	£5m and above	Mar 2022
Supported Accommodation for People with Complex Health Needs	S	H&SC	£5m and above	Mar 2022
Property Construction Works	W	Place	£5m and above	Jun 2022
Drug and Alcohol Support services	S	H&SC	£5m and above	Aug 2022
Windows and Doors supply and installation	W	Place	£5m and above	Nov 2022
Development Partner Framework	S/W	Place	£5m and above	Jan 2023
Home Based Support	S	H&SC	£5m and above	Apr 2023
Over 130 additional projects at early engagement stage	S/G/W	Various	From £25k and above	

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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Summary Report on Property Transactions concluded under Delegated Authority

<b>Executive/routine</b>	Routine
<b>Wards</b>	Ward 4 - Forth
<b>Council Commitments</b>	<a href="#">2, 10</a>

### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee notes the 22 transactions detailed in Appendix 1 have been concluded in terms of the Council's 'Scheme of Delegation' to Officers.

**Paul Lawrence**

Executive Director of Place

Contact: Graeme McGartland, Investments Senior Manager

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

## Summary Report on Property Transactions concluded under Delegated Authority

### 2. Executive Summary

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- 2.1 The purpose of this report is to advise Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.

### 3. Background

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- 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.
- 3.2 The 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.

### 4. Main report

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- 4.1 Appendix 1 provides details of 22 transactions completed under delegated authority since the last quarterly report. Leased properties which have been vacant for more than six months are shown at a previous rent of zero.
- 4.2 The financial benefit to the Council of these transactions is summarised below:
- 4.2.1 Nine new leases producing an additional £63,100 per annum;
  - 4.2.2 Two lease renewal/extensions maintaining the current rental income £21,000 per annum from those assets;
  - 4.2.3 Seven new licenses producing an income of £36,359; and
  - 4.2.4 Four disposals totalling £97,771.

## **5. Next Steps**

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- 5.1 The report sets out transactions which have been completed, under delegated authority. There are no further steps in relation to these transactions.

## **6. Financial impact**

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

## **7. Stakeholder/Community Impact**

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- 7.1 None.

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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- 9.1 Appendix 1 – Schedule of Property Transactions.

APPENDIX 1

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. MB T278T/19	Ward 1 – Almond	General Property (GP)	Unit 19, Viewforthbank Industrial Estate, South Queensferry (2,953 sq ft)	Daybreak Ltd	Industrial	<b>Old Rent:</b> £0 <b>New Rent:</b> £13,000 per annum <b>Lease Period:</b> 01/11/20 to 31/10/25 <b>Payable:</b> Quarterly in advance
<b>REMARKS: New open market letting. Subject unit was vacant from 2019 following the former tenant vacating to new premises. 9 months rent free granted on entry</b>						

Page 27

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. MB T278T/25	Ward 1 – Almond	General Property (GP)	Unit 25, Viewforthbank Industrial Estate, The Loan, South Queensferry (3,766 sq ft)	Zalewski Limited	Industrial	<b>Old Rent:</b> £0 <b>New Rent:</b> £28,000 per annum <b>Lease Period:</b> 08/11/20 to 07/11/25 <b>Payable:</b> Quarterly in advance
<b>REMARKS: New open market letting. Subject unit was vacant from 2019 following the former tenant vacating to new premises. 9 months rent free granted on entry</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. MB T278T/27	Ward 1 – Almond	General Property (GP)	Unit 27, Viewforthbank Industrial Estate, The Loan, South Queensferry (3,766 sq ft)	Kozłowska Limited	Industrial	<b>Old Rent:</b> £0 <b>New Rent:</b> £14,000 per annum <b>Lease Period:</b> 08/11/20 to 07/11/25 <b>Payable:</b> Quarterly in advance
<b>REMARKS: New open market letting. Subject unit was vacant from 2019 following the former tenant vacating to new premises. 12 months rent free granted on entry</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. MB CL0-U02	Ward 3 – Drumbrae / Gyle	General Property (GP)	Unit 2 Clocktower Estate, Flassches Yard Edinburgh (5,031 sq ft)	Four Squared Limited	Industrial	<b>Old Rent:</b> £38,000 per annum <b>New Rent:</b> £38,000 per annum <b>Lease Period:</b> 10/06/21 to 09/09/21 <b>Payable:</b> Monthly in advance
<b>REMARKS: New Short Term Lease – 3 Months (Month to Month Thereafter). Subject unit was vacated following tenant entering administration.</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. MB 17314/4/2	Ward 7 – Sighthill/ Gorgie	General Property (GP)	4/2 Broomhouse Workspace, New Lairdship Yards, (850 sq ft)	Colinton Vans Ltd	Office	<b>Old Rent:</b> £8,450 per annum <b>New Rent:</b> £8,450 per annum <b>Lease Period:</b> 01/02/21 to 31/01/22 <b>Payable:</b> Quarterly in advance
<b>REMARKS: New lease to neighbouring occupier following mutual agreement to renounce existing lease (due to CV19 pressure). No void period or rent free and debt cleared as part of our consent.</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
<del>6. AZ 17314/4/1</del>	Ward 7 – Sighthill/ Gorgie	General Property (GP)	4/1 Broomhouse Workspace, New Lairdship Yards, (5,461 sq ft)	Commercial Industrial Heat Limited	Office	<b>Old Rent:</b> £6,500 per annum <b>New Rent:</b> £6,500 per annum <b>Lease Period:</b> 06/11/20 to 05/11/23 <b>Payable:</b> Quarterly in advance
<b>REMARKS: New lease to neighbouring occupier following mutual agreement to renounce existing lease (due to CV19 pressure). No void period or rent free and debt cleared as part of our consent.</b>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. MB EHBP/6	Ward 7 – Sighthill / Gorgie	General Property (GP)	Unit 6, East Hermiston Business Park, Cultins Road, Edinburgh (1,067 sq ft)	C2C Windows Limited	Industrial	<b>Old Rent:</b> £9,700 per annum <b>New Rent:</b> £11,300 per annum <b>Lease Period:</b> 22/02/21 to 21/02/26 <b>Payable:</b> Quarterly in advance
<b>REMARKS: New open market letting. Subject unit was previously leased but tenant vacated due to downturn in business and sought to surrender their lease.</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. OP 20370/4 20373	Ward 9 – Fountainbridge / Craiglockhart	General Property (GP)	Unit 38 West Gorgie Park, Hutchison Road Edinburgh (3,190 sq ft)	I - Hybrid	Industrial	<b>Old Rent:</b> £18,000 per annum <b>New Rent:</b> £23,000 per annum <b>Lease Period:</b> 15/03/21 to 14/03/26 <b>Payable:</b> Quarterly in advance
<b>REMARKS: New open market letting following closing date. Subject unit was vacated following lease termination. 3 month rent free period granted on entry.</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. MB 35/W380N/5	Ward 9 – Fountainbridge / Craiglockhart	General Property (GP)	Unit 5 West Gorgie Park, Hutchison Road Edinburgh (775 sq ft)	Fraser Graham	Industrial	<b>Old Rent:</b> £6,500 per annum <b>New Rent:</b> £8,000 per annum <b>Lease Period:</b> 02/08/21 to 01/08/26 <b>Payable:</b> Monthly in advance
<b>REMARKS:</b> New open market letting following closing date. Agreed in February 2021. Subject unit was vacated October 2020 following lease termination. 3 month rent free period granted on entry.						

**LEASE RENEWALS/EXTENTIONS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. AM 17768/9	Ward 17 – Portobello & Craigmillar	General Property (GP)	Unit 9 Peffer Business Centre, North Peffer Place (760 sq ft)	The Edinburgh Pottery Studio Limited	Warehouse	<b>Old Rent:</b> £6,000 per annum <b>New Rent:</b> £6,000 per annum <b>Lease Period:</b> 08/01/21 to 07/01/24 <b>Payable:</b> Quarterly in advance
<b>REMARKS: Lease assignation / renunciation. 2 months rent free period granted on entry. Part of larger transaction to facilitate existing occupiers' expansion to larger CEC unit.</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
Page 215 A PEF01-U06	Ward 17 – Portobello / Craigmillar	General Property (GP)	Block 3 Unit 3 Peffermill Ind Est, King's Haugh (2,400 sq ft)	Pk Packaging Ltd	Warehouse	<b>Old Rent:</b> £15,000 per annum <b>New Rent:</b> £15,000 per annum <b>Lease Period:</b> 01/01/21 to 31/12/26 <b>Payable:</b> Quarterly in advance
<b>REMARKS: Lease renounced (due to occupier passing away). Re-let as part of existing tenant's expansion into larger premises. 3 months rent free granted on entry.</b>						

## NEW LICENSES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
12. FM	7 – Sighthill/ Gorgie	Places (Parks and Greenspace)	Sighthill Public Park	WK Taylor	Colour Bomb Carnival	<b>Rent, including management fee: £5,000</b> <b>Surveyor's Fee: £250</b> <b>Lease Period: 6 – 17 August 2021</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. FM	11 – City Centre	General Property Account	Festival Square	Brewdog Plc	Tables and Chairs	<b>Legal fee: £750</b> <b>Surveyor's Fee: £250</b> <b>Lease Period: 26 Apr - 31 Sept 2021</b>
<b>REMARKS: No rent charged this year, in line with other tables and chairs permits managed by CEC</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. FM	11 – City Centre	General Property Account	Festival Square	Arts Exchange Ltd	Ladyboys of Bangkok	<b>Rent:</b> £18,908 <b>Surveyor's Fee:</b> £300 <b>Lease Period:</b> 4 – 31 August 2021

**REMARKS:** Rent is projected, as the final amount will depend on audience capacity permitted by the Scottish Government

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
15. F	11 – City Centre	Places (Parks and Greenspace)	Red Blaize, West Princes Street Gardens	Bubbleparc	Bungydome attraction	<b>Rent, including management fee:</b> £9,300 <b>Surveyor's Fee:</b> £300 <b>Lease Period:</b> 16 Jul – 31 Aug 2021

**REMARKS:**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16. FM	11 – City Centre	Places (Parks and Greenspace)	Calton Hill	Alan Lawson	Seven Hills of Edinburgh race	<b>Rent, including management fee: £460</b> <b>Surveyor's Fee: £250</b> <b>Lease Period: 27 June 2021</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1 Page 278	13 – Leith Links	Places (Parks and Greenspace)	Leith Links	ELREC	Edinburgh Climate Festival	<b>Rent, including management fee: £441</b> <b>Surveyor's Fee: £250</b> <b>Lease Period: 14 August 2021</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
18. FM	17 – Portobello/ Craigmillar	Places (Parks and Greenspace)	Area within Craigmillar Castle Park	Mallinson Television Production Company Ltd	Filming for an advertisement	<b>Rent:</b> £1,500 <b>Surveyor's Fee:</b> £500 <b>Lease Period:</b> 13 – 14 Jan 2020
<b>REMARKS:</b>						

**DISPOSALS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
19. MB	6 - Corstorphine/ Murrayfield	CEC	Land at 100 Corstorphine High Street – 79 sq m	Mrs Lisa Connelly 67 Feather Avenue	New Driveway	£4,000

**REMARKS:**

Page 1  
of 2

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
20. MB	5 - Inverleith	CEC	Land at 2 Dean Path – 14 sq m	Tina Cameron	Public Use. Class 2.	£1,500

**REMARKS:**



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
21. FM 15325	13 – Leith	General Property	53 Prince Regent Street, Edinburgh EH6 4AR 43.18 sq m (465 sq ft) on one floor	Duddingston Developments Ltd	Private residential dwelling	<b>Purchase price:</b> £91,271 <b>Date of entry:</b> 7 May 2021 <b>Sale concluded:</b> 7 May 2021
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
22. FM Page 201	14 Craigenlinny/ Duddingston	LRC Transportation Account	Site of former police box at junction of London Road and Restalrig Road South extending to 2.64 sq m	Black and White Investments	Development with adjoining property.	£1,000. Purchaser to meet CEC costs.
<b>REMARKS:</b>						

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# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## Edinburgh Catering Services - Other Catering– Update

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

---

- 1.1 It is recommended that Finance and Resources Committee:
  - 1.1.1 approve the removal of catering services in East Neighbourhood Locality Office (ENLOC) and Wester Hailes Healthy Living Centre (WHHLC); and
  - 1.1.2 agree a review of catering services in commercial buildings commensurate with the approaches around returning staff to office working.

**Paul Lawrence**

Executive Director of Place

Christopher Ross, Catering Operations Manager

E-mail: [Christopher.Ross2@edinburgh.gov.uk](mailto:Christopher.Ross2@edinburgh.gov.uk) | Tel: 0131 529 3171

## Edinburgh Catering Services - Other Catering– Update

### 2. Executive Summary

---

- 2.1 Due to the COVID-19 pandemic and the move to home working, Edinburgh Catering Services - Other Catering has been unable to trade during 2020/2021 financial year.
- 2.2 With the potential move to a hybrid working model, this will inevitably put pressure on the services ability to trade profitably. With a reduced headcount in the building, the service will have to adapt a staffing model to ensure a reduced offer is provided in a cost-efficient manner.
- 2.3 All Other Catering staff are currently assigned to the School estate, working within school kitchens. Waverley Court has remained operational but only as a kitchen producing school and nursery meals.

### 3. Background

---

- 3.1 At Governance, Risk and Best Value on [20 March 2018](#), a briefing note on Edinburgh Catering Services was requested, including the current situation and an update on the action plan to turn around the catering service. The catering service failed to achieve its statutory obligation to breakeven over the three-year period concerned (Budget years 2015-18).
- 3.2 By budget year 2018/2019, the Catering Service had made good progress and had minimised subsidies across the Other Catering and planned to be on track to deliver cost neutral service by 2019/2020.
- 3.3 A [report](#) was provided to Finance and Resources Committee on Thursday 4 March 2021, requesting the STO (Other Catering) is de-badged – the final outturn for other catering in budget year 2020/2021 was a £479k cost pressure, it has subsequently been debaged.

## 4. Main report

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- 4.1 The impact of COVID-19 has had a significant impact on the Other Catering Services ability to trade profitably, in budget year 2020/2021 the service generated virtually no income.
- 4.2 The continued closure of Waverley Court and City Chambers is currently resulting in an approximate monthly income loss of £77k. Some limited civic events have taken place in the City Chambers and this is currently being serviced through the operational kitchen within Waverley Court, as these events are civic there is limited opportunity for commercial profit to be achieved.
- 4.3 The two smaller commercial catering outlets in ENLOC and WHHLC have also been closed during the pandemic and were not trading efficiently pre-pandemic. It would be the services opinion that these close on a permanent basis and colleagues from these buildings (2) are permanently redeployed in School Catering.
- 4.4 With a proposed return to the offices on a hybrid basis, the services at Waverley Court and City Chambers would struggle to trade efficiently with the current annual staff costs for these buildings at £550k. The service estimates, that given limited head count in Waverly Court and City Chambers, this would generate circa. £20k per trading month, not covering the running rate of the staffing cost.
- 4.5 Colleagues within Other Catering are currently re-deployed in the school meal service, some have already explored making this a full-time arrangement and moving to sessional contracts. It would suggest that if a hybrid working model is continued it would not be viable for all Other Catering staff to return to the commercial catering estate.
- 4.6 It is suggested that if a phased return to buildings is progressed that some colleagues return to Waverley Court and City Chambers to provide a limited service commensurate with the volumes of staff within the building. Civic events would be catered for by the existing team within Waverley Court to reduce any cost pressure on the service.
- 4.7 The existing kitchens within City Chambers and Waverley Court could be utilised to aid the services response to the growing uptake of school meals because of Universal Free School Meal initiative 2022.

## 5. Next steps

---

- 5.1 If approved, a review of the service will under taken when a full understanding of the impact of new ways of working are confirmed.
- 5.2 A confirmation of the permanent closure of the café's within WHHLC and ENLOC are confirmed, with the potential of external let or community let to be explored.

## **6. Financial Impact**

---

- 6.1 The deficit in 2020/2021 due to the pandemic was £479k. This deficit is included in the Council's revenue expenditure monitoring forecasts reported to Finance and Resources Committee on a regular basis throughout 2020/2021.
- 6.2 If the recommendations of this report are approved, a cost re-alignment will be undertaken for 2021/2022 to reflect a potential permanent redeployment of some Other Catering employees and an updated revenue forecast based on any known return dates to office working.

## **7. Stakeholder/Community Impact**

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- 7.1 None.

## **8. Background reading/external references**

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- 8.1 [Edinburgh Catering Services](#) - Governance, Risk and Best Value Committee, 31 October 2017.
- 8.2 [Corporate Catering Service](#) - Governance, Risk and Best Value Committee, 20 March 2018.
- 8.3 [Edinburgh Catering Services](#) – Finance and Resource Committee, March 2021. 2021

## **9. Appendices**

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- 9.1 None.

# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

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

<b>Executive/routine</b>	Routine
<b>Wards</b>	17– Portobello/Craigmillar
<b>Council Commitments</b>	<a href="#">2.10</a>

### 1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves 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.

**Paul Lawrence**

Executive Director of Place

Contact: Graeme McGartland, Investments Senior Manager

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

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

### 2. Executive Summary

---

- 2.1 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.

### 3. Background

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- 3.1 In 2002, Craigmillar Joint Venture Ltd (later renamed PARC Craigmillar Limited) was formed as a joint venture between the Council and the EDI Group Limited. As part of the joint venture, the Council agreed to transfer 80 acres (32 hectares) of land in Craigmillar to PARC, a subsidiary company of EDI. This land included what has been developed as Craigmillar Town Centre.
- 3.2 On [2 November 2017](#), the Housing and Economy Committee approved the transition strategy for closing down EDI and moving projects and assets in house. This included an area of land within Craigmillar town centre, known as Plot 11 which had yet to be developed, as shown outlined in red on the attached plan. The land was transferred from EDI to the General Fund account.
- 3.3 The masterplan consent for the town centre identified Plot 11, outlined in red on the attached plan in Appendix 1, as being suitable for restaurant use. During the development of the town centre retail provision, an operator for this plot was never identified. Since the land transferred to the Council, it has remained vacant and it is not anticipated that, if marketed, a developer would be found who would take forward a restaurant scheme at this time.

### 4. Main report

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- 4.1 In order to activate the area and further enhance Craigmillar Town Centre it is proposed to develop the site for Meanwhile Use.
- 4.2 The vacant site will be transformed into a multi-use, community-based, public space to be known as “Walk -Up Avenue”. The intention is to provide commercial space to support small businesses in the area while providing a space for people to meet



outdoors in the town centre. These will be set within wider green space containing seating, informal play, events space, a growing area, a stage pavilion and a sculptural entranceway. Planning permission has been granted with the project to commence on site later this year. The proposals are shown at Appendix 2.

- 4.3 To facilitate delivery, the land requires to be transferred between the General Fund and HRA.

## **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 There will be no financial element to the transfer. The project will be funded from monies secured through the Town Centre Fund, Place Based Investment Fund, a contribution from the HRA capital programme with other external funding sources also to be confirmed.

## **7. Stakeholder/Community Impact**

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

## **8. Background reading/external references**

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- 8.1 None.

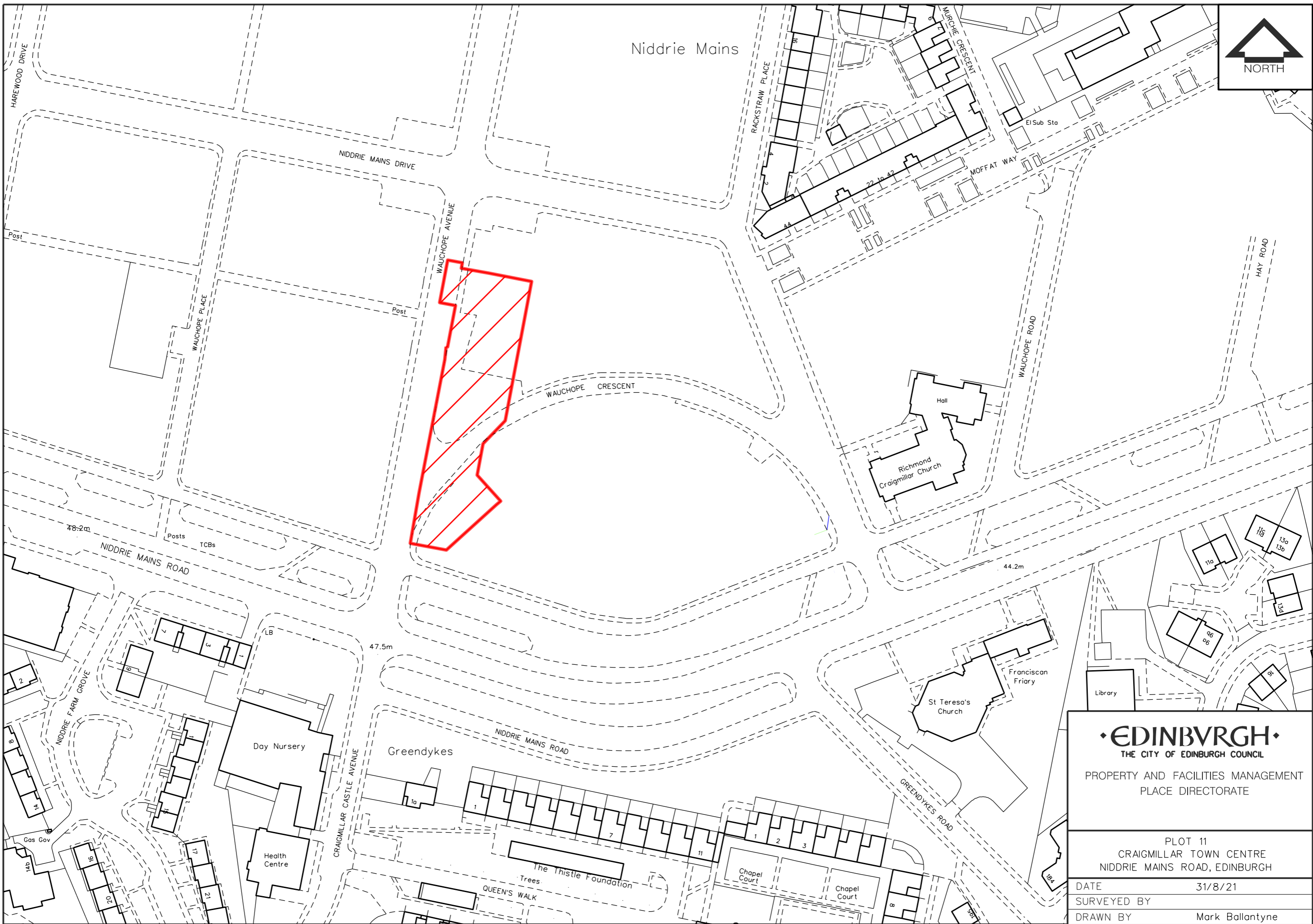
## **9. Appendices**

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- 9.1 Appendix 1 – Location Plan.  
9.2 Appendix 2 – Meanwhile Use Proposals.



Niddrie Mains



Page 290

SITE PLAN

SCALE 1:1250

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT PLACE DIRECTORATE	
PLOT 11 CRAIGMILLAR TOWN CENTRE NIDDRIE MAINS ROAD, EDINBURGH	
DATE	31/8/21
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1630a

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2013 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.





Existing section of tarmac road

green open space

Stage platform with associated trellis structure  
sand pit

Existing concrete sections, relocated and made into planters. 2no 150mm height, stacked on top of each other.

Timber planter with integrated seating

Existing concrete sections, relocated and converted into planters. 3no 150mm height, stacked on top of each other.

Commercial Unit 2

Trellis

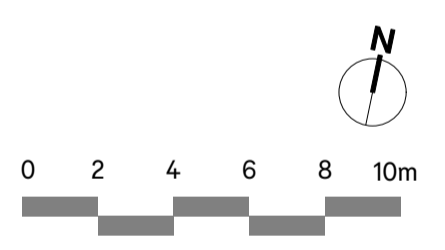
Existing concrete pipe sections, relocated and converted into planters

Commercial Unit 1  
Outdoor seating area for cafe

Seating and play area, connected to existing Vista Park. With picnic benches, balancing tree stumps and fallen timber logs.

Beacon structure forming site entrance  
3no bike racks

Entrance to the existing Vista Park - the access route for those coming from Niddrie Mains Road.



DO NOT SCALE FROM THIS DRAWING

ALL DIMENSIONS TO BE CHECKED ON SITE PRIOR TO THE START OF ANY WORK AND ANY DISCREPANCIES MUST BE NOTIFIED IN WRITING

REFER TO ENGINEER'S DRAWINGS FOR ALL STRUCTURAL, HEATING, LIGHTING, POWER, EXTERNAL AND UNDERGROUND DRAINAGE AND VENTILATION INFORMATION

ALL BUILDING WORKS COMPLY IN ALL RESPECTS TO CURRENT BUILDING STANDARDS FOR COUNTRY IN WHICH SITE IS LOCATED

21/04/2021 Revision Date	Notes added and design updated Revision Note	
Job Reference 21004	Drawing Number GA(P)-001	Revision
Scale 1:200	Paper Size A2	A
Drawing Name Proposed Plan		
Drawn By MD	Checked BT	Date Drawn 15/03/2021
Project Craigmillar Gap Site		
Client City of Edinburgh Council		

New Practice

3 Ross Street  
Glasgow  
G1 5AR

+44 (0) 141 226 4092

info@new-practice.co.uk  
www.new-practice.co.uk

## Finance and Resources Committee

10.00am, Thursday, 7 October 2021

### Block 1, Units 5 and 6, Pennywell Town Centre, Edinburgh – Proposed Lease

Executive/routine	Routine
Wards	Ward 4 - Forth
Council Commitments	<a href="#">2.10</a>

#### 1. Recommendations

---

- 1.1 It is recommended that Finance and Resources Committee approves a 10-year lease of Block 1 Units 5 and 6 Pennywell Town Centre on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Place.

**Paul Lawrence**

Executive Director of Place

Contact: Andrew McCurrach, Investment Portfolio Officer

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

# Report

## Block 1, Units 5 and 6, Pennywell Town Centre, Edinburgh – Proposed Lease

### 2. Executive Summary

---

- 2.1 To facilitate the Civic Centre redevelopment, Sara Zarar, trading as Ali's Pizza, will 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 has requested that the lease is extended to include the adjoining Unit 6.

### 3. Background

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- 3.1 On 23 May 2019, the Finance and Resources Committee approved a 10-year lease of Unit 5 (Block 1) to Sara Zarar. The unit extends to approximately 101 sqm (1,087 sq ft). The rent payable for this single unit is £17,400 per annum, with a six month rent free period.
- 3.2 Following a further viewing by the tenant, it has become apparent that the size of the unit is insufficient for their needs. In part, this due to the location of steelwork, which is forcing the move of cooking equipment further into the main floor area which diminishes proposed customer seating areas.
- 3.3 The adjoining Unit 6 is vacant, of similar size and shares a party wall with Unit 5. The original intention was for Lloyds Chemist to relocate from their existing space into Unit 6 however they have now confirmed that they intend to remain in their existing unit.
- 3.4 It is proposed to extend the lease to cover both units as shown outlined in red on the attached plan at Appendix 1.

### 4. Main report

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- 4.1 Following discussions with the tenant, terms have been agreed for Unit 6 which mirror those which the Committee previously agreed for Unit 5. A single lease will be put in place to cover both units. The terms provisionally agreed are as follows:
- 4.1.1 Subjects: Block 1 Units 5 and 6 Pennywell Town Centre;
- 4.1.2 Lease term: 10-year lease from date of entry / completion;
- 4.1.3 Rent: £34,800 per annum;

- 4.1.4 Rent Free Period: six months' rent free from the date of entry;
- 4.1.5 Repair: Full repairing and insuring lease;
- 4.1.6 Rent Review: The rent will be reviewed on the 5th anniversary, upwards only, to open market rental value;
- 4.1.7 Use: The tenant shall use the premises as a hot food takeaway and ancillary space.
- 4.1.8 Costs: The Council will be responsible for the tenants legal and professional costs in relation to the new lease; and
- 4.1.9 Conditions: (i) Subject to Finance and Resources Committee approval; (ii) The tenant, at their own expense, obtaining a building warrant for opening the party wall between the two units and undertaking the works as part of their fit out; (iii) The tenant agreeing to include "healthy options" on the menu.

## **5. Next Steps**

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- 5.1 Following approval of the terms by Committee, the lease documentation will be agreed with the date of entry to coincide with the completion of the development works.

## **6. Financial impact**

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- 6.1 The Council will receive a rent of £34,800 per annum.

## **7. Stakeholder/Community Impact**

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

## **8. Background reading/external references**

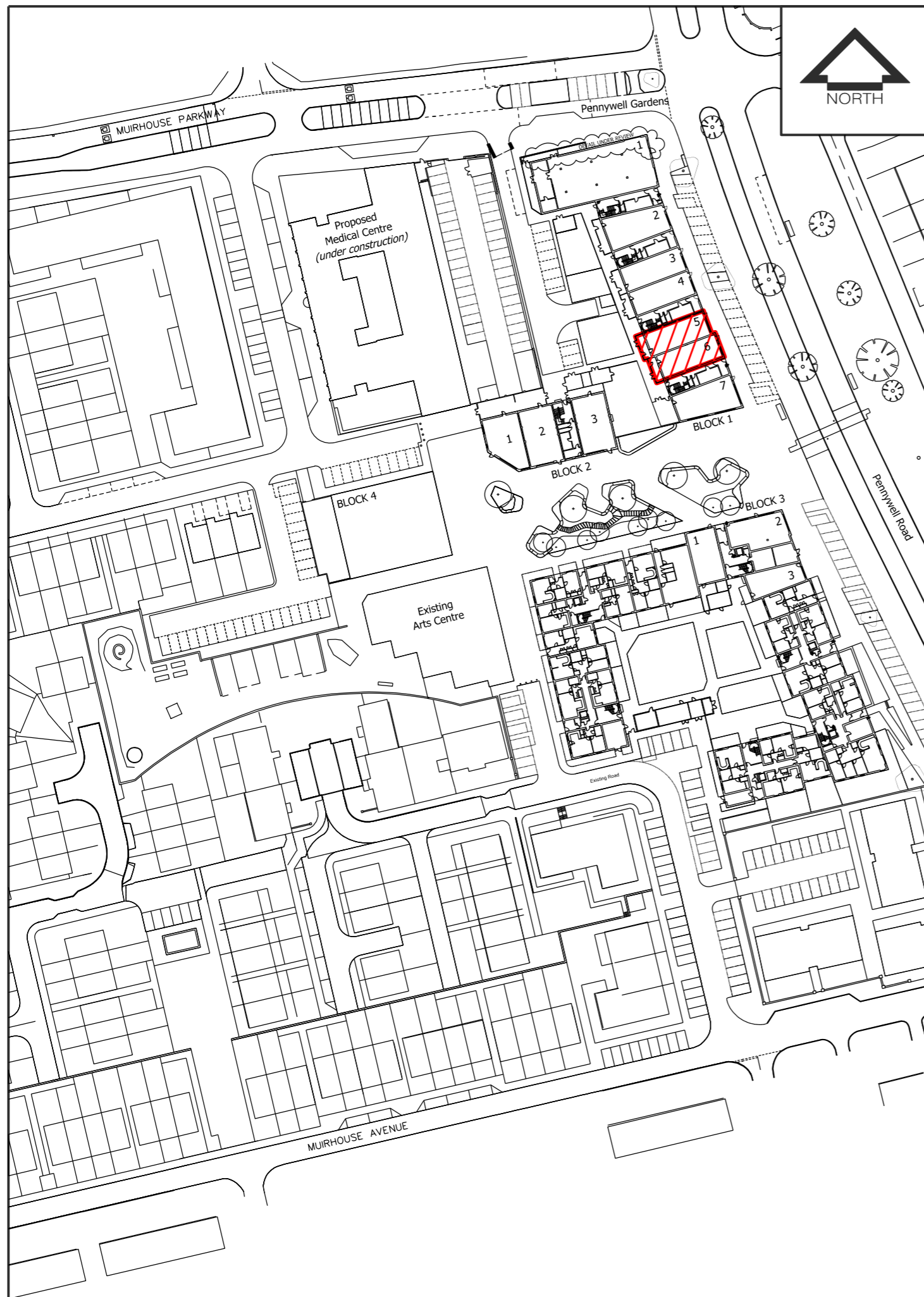
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- 8.1 [Block 1 Unit 5 Pennywell Town Centre](#) – Proposed Lease - Finance and Resources Committee 23 May 2019.

## **9. Appendices**

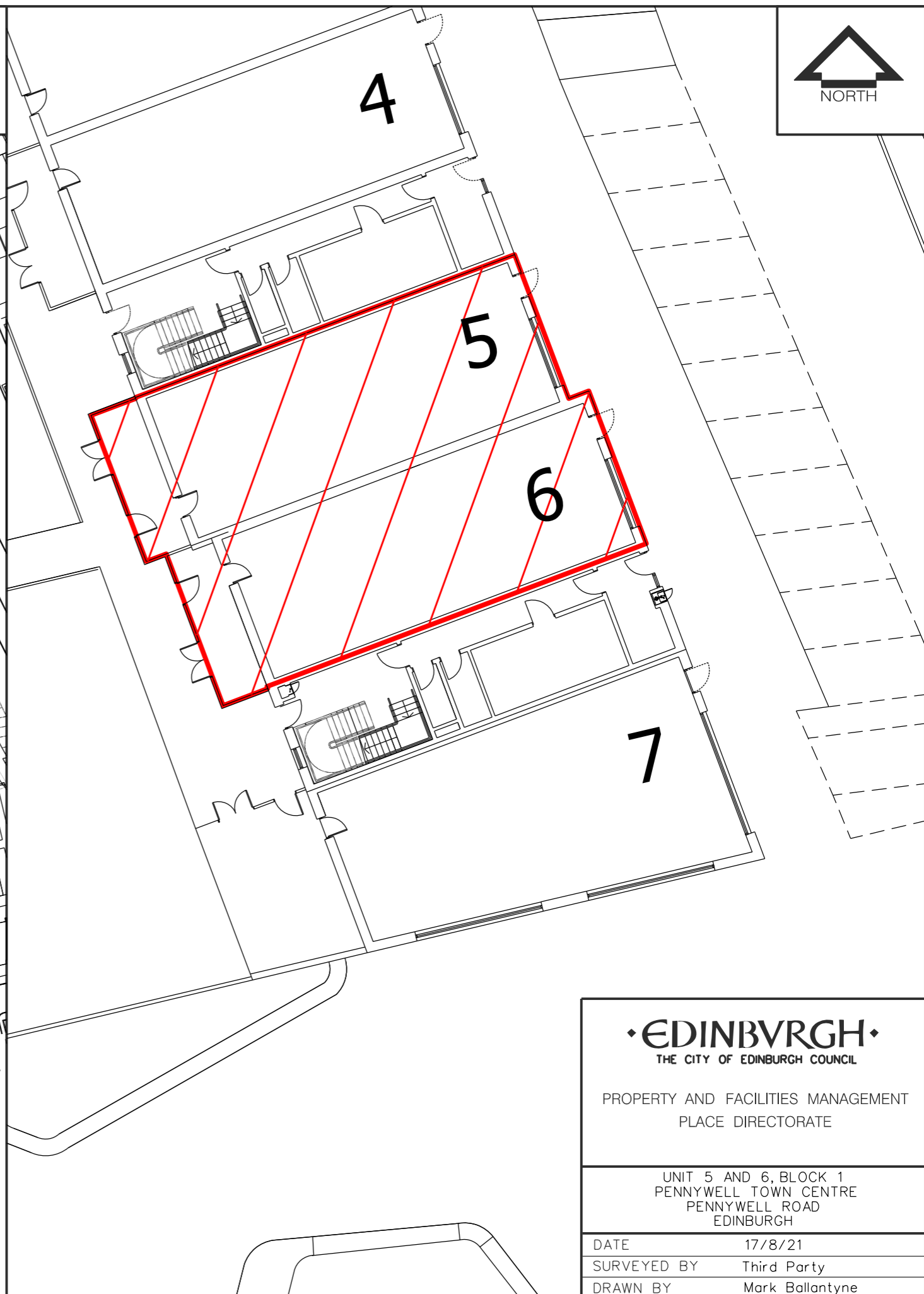
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- 9.1 Appendix 1 – Location Plan.



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:200

**• EDINBURGH •**  
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT  
PLACE DIRECTORATE

UNIT 5 AND 6, BLOCK 1  
PENNYWELL TOWN CENTRE  
PENNYWELL ROAD  
EDINBURGH

DATE	17/8/21
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2086a



# Finance and Resources Committee

10.00am, Thursday, 7 October 2021

## 31 Jeffrey Street, Edinburgh – Proposed Lease Extension

Executive/routine	Routine
Wards	Ward 4 - Forth
Council Commitments	<a href="#">2, 10</a>

### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee approve a 15-year lease extension to La Garrigue (Edinburgh) Limited of premises at 31 Jeffrey Street, Edinburgh on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Place.

**Paul Lawrence**

Executive Director of Place

Contact: Iain Lamont, Investment Portfolio Officer

E-mail: [iain.lamont@edinburgh.gov.uk](mailto:iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

## 31 Jeffrey Street, Edinburgh – Proposed Lease Extension

### 2. Executive Summary

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

### 3. Background

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- 3.1 The demise at 31 Jeffrey Street extends to 159.10sq m (1,712sq ft) or thereby and is shown outlined in red on Appendix 1.
- 3.2 La Garrigue (Edinburgh) Limited are the tenants of the property and operate a restaurant known as La Garrigue. The current rent is £28,450 per annum.
- 3.3 The existing lease expired on the 30 September 2020 and has been running on tacit relocation (silent renewal) since. The tenant has now requested the Council grant a 15-year lease extension to be effective from 1 October 2021.

### 4. Main report

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- 4.1 Following discussions with the tenant, the following terms have been provisionally agreed:
- 4.1.1 Subjects: 31 Jeffrey Street, Edinburgh;
  - 4.1.2 Lease extension: 15 years from 1 October 2021 until 30 September 2036;
  - 4.1.3 Rent: The rent will be stepped over the next five years at £32,500 pa for years one and two, then rising to £36,000 for years three and four and then £39,300 in year five;
  - 4.1.3 Rent Review: 1 October 2026 and five yearly thereafter;
  - 4.1.4 Repair: Full repairing and insuring lease;
  - 4.1.5 Use: Class 3 – Restaurant;
  - 4.1.6 Costs: Tenant responsible for all the Councils legal costs; and
  - 4.1.7 Other conditions: As contained in the subjects existing lease.

- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

## **5. Next Steps**

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- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the proposed lease extension.

## **6. Financial impact**

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- 6.1 The current rent is £28,450 per annum. The rent will increase to £32,500 pa effective from 1 October 2021, then increase to £36,000 pa from 1 October 2023 and increase again to £39,300 pa effective from the 1 October 2025 when a further rent review will be due. The increase in rent goes to the General Property Account.

## **7. Stakeholder/Community Impact**

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

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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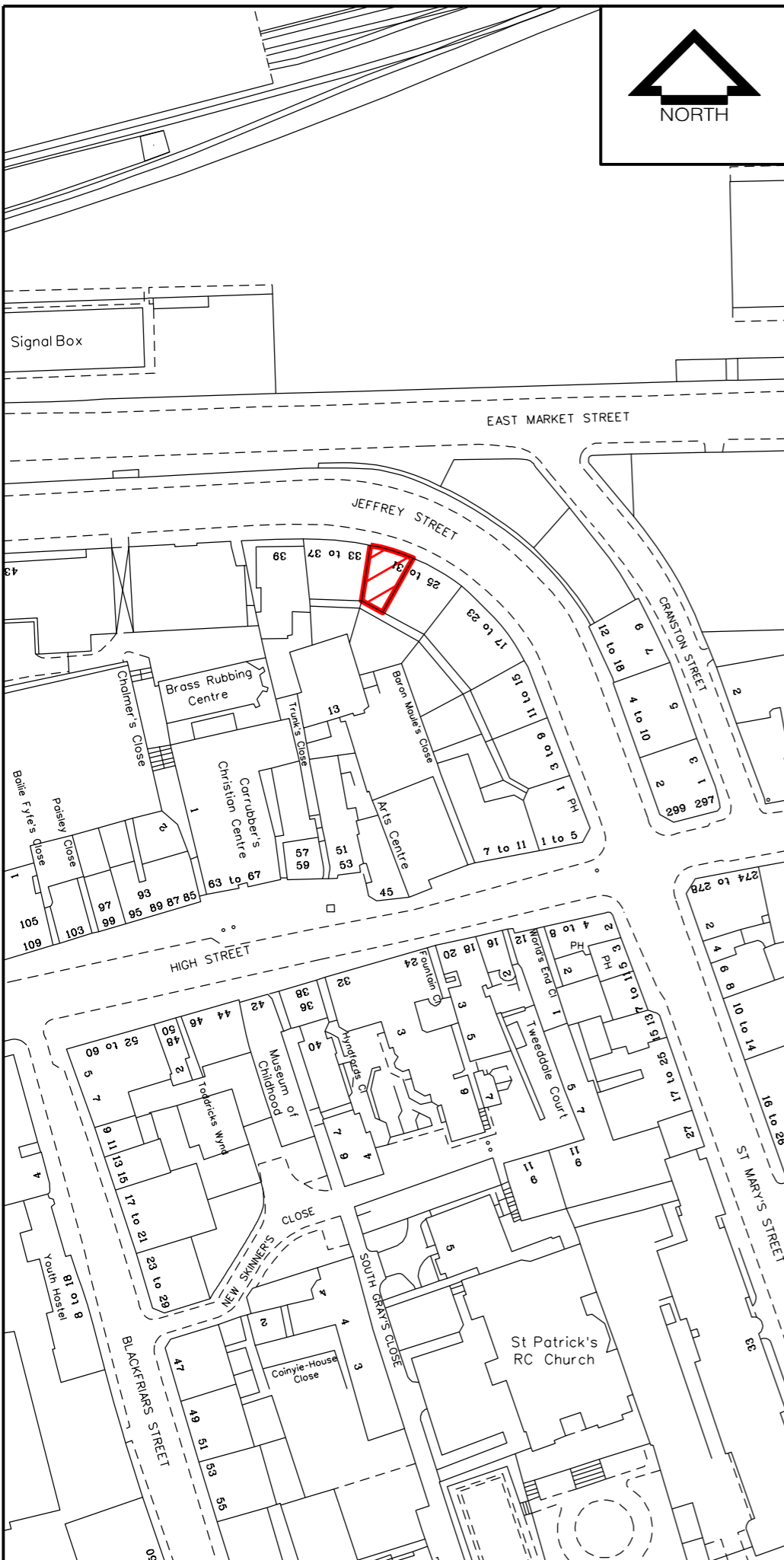
- 9.1 Appendix 1 – Location Plan.



NORTH

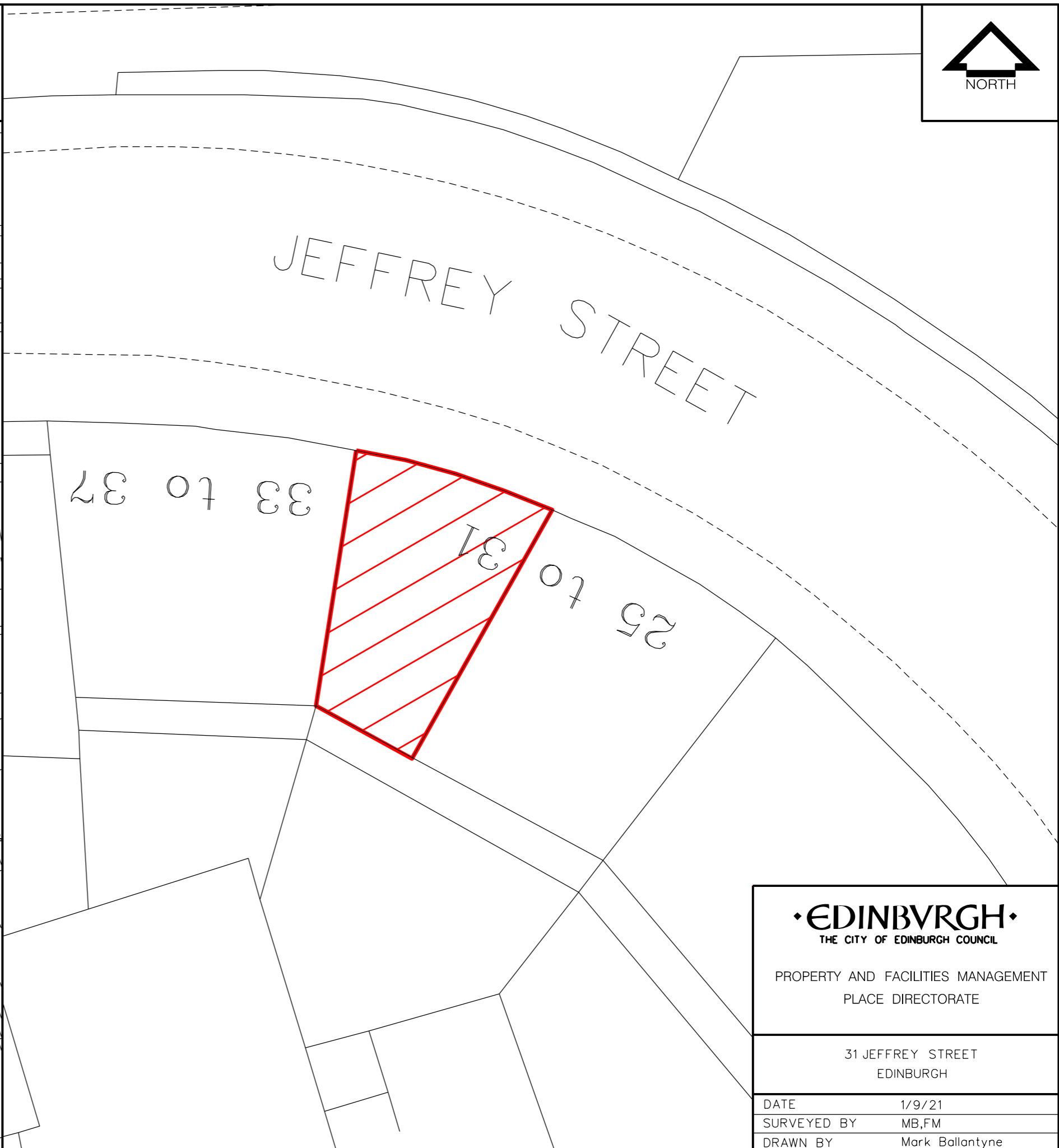


NORTH



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:200

• EDINBURGH •  
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT  
PLACE DIRECTORATE

31 JEFFREY STREET  
EDINBURGH

DATE	1/9/21
SURVEYED BY	MB,FM
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/843a

by virtue of paragraph(s) 6, 8, 9 of Part 1 of Schedule 7A  
of the Local Government(Scotland) Act 1973.

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