

# Minutes

## Finance and Resources Committee

10.00am, Thursday, 9 December 2021

### Present

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

### 1. Minutes

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#### Decision

- 1) To approve the minute of the Finance and Resources Committee of 7 October 2021 as a correct record.
- 2) To approve the minute of the Finance and Resources Committee of 18 November 2021 as a correct record.

### 2. Work Programme

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The Work Programme for December 2021 was presented.

#### Decision

- 1) To note the Work Programme December 2021.
- 2) To request a written update on Councillor Corbett's motion to Council from May 2021 on Bridges and Investment in Craiglockhart and Colinton Dells.

(Reference – Work Programme of 9 December 2021, submitted.)

### 3. 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 - Consultants Costs 2019/20
  - Action 2 - Annual Treasury Management Strategy 2021/22

- Action 6 - Revenue Budget Framework 2021/26 – progress update
- Action 9 - City of Edinburgh Council - 2020/21 Annual Audit Report to the Council and the Controller of Audit

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log of 9 December 2021, submitted.)

#### **4. Business Bulletin**

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The Business Bulletin for December 2021 was presented.

##### **Decision**

To note the Business Bulletin.

(Reference – Business Bulletin of 9 December 2021, submitted.)

#### **5. Revenue Budget Framework 2021/26 - Progress Update**

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Updates were provided to members on the projected Council-wide revenue budget position for the year based on analysis of month six expenditure and income data.

##### **Decision**

- 1) To note that a balanced overall revenue monitoring position continued to be forecast in the current year.
- 2) To note, nonetheless, the potential for further expenditure pressures to emerge during the remainder of the year and thus the on-going need for pressures, savings delivery shortfalls and risks to be fully and proactively managed within all Directorates and the Health and Social Care Partnership.
- 3) To note that a further update would be provided to the Committee at its next meeting on 3 February 2022.
- 4) To note the proposed updates to planning assumptions affecting the incremental gaps in 2022/23 and subsequent years of the budget framework and that these would be reviewed following the announcement of the Local Government Finance Settlement on 20 December 2021.
- 5) To refer the report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.
- 6) To approve the allocation of £0.348m to address the financial impacts flowing from the recommendations of the two recent inquiry reports.

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

## **6. Capital Monitoring 2021/22 - Month Six Position – Report by the Executive Director of Corporate Services**

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Details were provided on the capital expenditure and funding position as at month six and full-year outturn projections for the 2021/22 financial year, providing explanations for key variances.

### **Decision**

- 1) To note the capital monitoring position for the General Fund and Housing Revenue Account (HRA) at month six of the 2021/22 financial year.
- 2) To note that various plans such as City Plan 2030, City Centre Transformation and EnerPHit were currently unfunded within the 2022-2032 Sustainable Capital Budget Strategy.
- 3) To note that it had been agreed that the Finance and Resources Committee had oversight for and approval of the whole Capital Investment Programme.
- 4) 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.)

## **7. Corporate Services Directorate: Revenue Budget Monitoring 2021/22 – Month Six position**

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Details were provided on the projected six-month revenue monitoring position for services delivered by Corporate Services Directorate and the Chief Executive's Office, based upon actual expenditure and income to the end of September 2021 and expenditure and income projections for the remainder of the financial year.

### **Decision**

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

- 5) To note the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by Corporate Services Directorate.

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

## **8. Treasury Management: Mid-Term Report 2021/22**

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Updated were provided on the Treasury Management activity undertaken in the first half of 2021/22.

### **Decision**

- 1) To note the mid-term report on Treasury Management for 2021/22.
- 2) To refer the report to City of Edinburgh Council for approval and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

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

## **9. Workforce Dashboard – Proposed Changes**

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Details were provided on proposed changes to the current Finance and Resources Committee Workforce Dashboard.

### **Decision**

To approve the proposed changes to the Workforce Dashboard reporting to the Committee.

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

## **10. Workforce Dashboard**

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Details were provided on a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, for the period of September 2021.

### **Decision**

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

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

## 11. Award of Contract for Occupational Health and Employee Assistance Programme

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Approval was sought to award the Contract for Occupational Health Services to People Asset Management Ltd (PAM) to begin in April 2022 for an initial period of three years, with the option to extend for further period(s) of up to two years.

### Decision

- 1) To approve the award of a Contract for Occupational Health Services, including an Employee Assistance Programme to People Asset Management Ltd.
- 2) To note the Contract term would begin on 1 April 2022 and shall be for an initial duration of three years with an option to extend for a further two-year period. This extension period may be utilised in one- or two-year increments.
- 3) To note the sum payable over the maximum Contract term was estimated to be in the region of £2,800,000.

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

## 12. Voluntary Early Release Arrangements - Chief Officers and Senior Managers

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Details were provided of progress made following the approval by Council of savings of £2.940m in 2021/22 in relation to a reorganisation of senior leadership roles and wider organisational change as a part of setting its budget in February 2021.

### Decision

- 1) To note that on 15 October 2020, Council approved the use of the allocated workforce transformation reserve to support the achievement of workforce efficiencies, including the use of targeted Voluntary Early Release Arrangements (VERA) exercise.
- 2) To note that Council had approved a saving of £2.940m for the 2021/22 financial year to be achieved from the reorganisation of senior leadership roles and wider organisational changes as a part of budget setting decisions made in February 2021.
- 3) To note the final position in respect of the 3 Chief Officers, 15 Senior managers (grades 9-12) and a further 12 colleagues (grades 6-8) who had left the employ of the Council through the VERA exercise.

(References – Act of Council No 5 of 18 February 2021; Act of Council No 3 of 15 October 2020; report by the Chief Executive, submitted.)

### **13. Framework for Supply, Delivery and/or Installation of Windows (2022 – 2026)**

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Approval was sought to award a multi-lot Framework to the most economically advantageous organisations identified, following a competitive tendering process. The Framework consisted of two lots for the supply, delivery and/or installation of windows.

#### **Decision**

- 1) To approve the award of a multi-lot Framework for the supply, delivery and/or installation of windows, with the contractors recommended for award onto the Framework being those detailed in Appendix 2, noting that the proposed Framework consisted of two Lots with an estimated total value of £28,000,000 over the maximum four-year term, the Lots being as follows:
  - 1.1) Lot 1 - UPVC/Composite Windows, at an estimated contract value of £6,000,000 per annum.
  - 1.2) Lot 2 - Timber Sash and Case Windows at an estimated contract value of £1,000,000 per annum.
- 2) To delegate authority to the Executive Director of Place to award mini competitions, which would be undertaken using the Framework.
- 3) To note that any award made by mini competition would be reported to Committee in the six-monthly procurement report for Awards of Contract under delegated authority.

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

### **14. Award of Clerk of Works Framework Agreement**

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Approval was sought for the award of a multiple supplier Framework for Clerk of Works services to Hickton Consultants Limited, Ross Quality Control Limited and Sentinel Clerk of Works Limited. The Framework would commence on 17 January 2022 for a period of two years with two optional 12-month extensions at a total estimated value of £3m.

#### **Decision**

- 1) To approve the award of a multiple supplier Clerk of Works Framework to Hickton Consultants Limited, Ross Quality Control Limited and Sentinel Clerk of Works Limited.
- 2) To approve the commencement of the Framework on 17 January 2022 for a period of two years with two optional 12-month extensions at a total estimated value of £3m.

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

## **15. Contract Award Recommendation Report for Furniture Removal and Storage, Design and Move Management**

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Details were outlined of the result of a competitive tender process for the provision of a Furniture Removal and Storage, Design and Move Management Services Framework and recommends the appointment of multiple service providers.

### **Decision**

- 1) To approve the appointment of a three-lot multiple contractor framework agreement for Furniture Removals and Storage, Design and Move Management.
- 2) To approve the commencement of the contract on 10 January 2022, for a period of four years with no option to extend, at a total estimated value of £3.66 million.
- 3) To agree to specify in the corporate policy that furniture which was damaged but still fit for purpose would be repurposed or recycled.

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

## **16. Waiver for Award of Contract for Design and Build of Improvement Works to Craigmillar Town Centre**

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A report informed the Committee of a waiver extension to award a contract for works to transform an unused site in Craigmillar Town Centre.

### **Decision**

- 1) To note the award of the contract for the Design and Construction works at “Walk-Up” Avenue, Craigmillar to New Practice Ltd by the Executive Director of Place in consultation with the Convener and Vice-Convener of the Committee under urgency provisions as set out in paragraph 4.1 of the Committee Terms of Reference and Delegated Functions.
- 2) To note this was a Contract Standing Orders waiver extension to an existing waiver which was approved by the Executive Director of Place and the then Executive Director of Resources on 16 February 2021 and increased the waiver value from £170,000 to £700,000.

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

## **17. Award of Waiver Extension to Contract for Mechanical and Electrical Servicing Works for Housing Services**

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A report, sought approval to award an extension, through a waiver of the Contract Standing Orders, of the existing contract to BAM FM Ltd for the provision of Mechanical and Electrical Servicing Works for Housing Services.

### **Decision**

- 1) To approve the award of an extension, through a waiver of the Council's Contract Standing Orders (CSO), to the contract to BAM FM Limited for the supply and delivery of Mechanical and Electrical Servicing works for Housing Services to support the Council's reactive and planned maintenance works to the Council's Domestic Estate. The estimated value of the contract was £450,000 for the 5-month extension.
- 2) To note the contract commencement would be 1 November 2021 for a period of 5 months until 31 March 2022.16 February 2021 and increased the waiver value from £170,000 to £700,000.

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

## **18. Award of Contract for Trade Materials and Commodities for Housing Property**

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Approval was sought to award a contract for the supply and delivery of trade materials and commodities for the housing property service following a competitive procurement process.

### **Decision**

- 1) To approve the award of a contract to Travis Perkins Trading Co. Ltd. for the supply and delivery of trade materials and commodities to support the Council's reactive and planned maintenance works to the Council's domestic estate. The estimated value of the contract was £8m to £10m per annum.
- 2) To note the contract commencement would be 1 April 2022 for a period of seven years with the option to extend for a further three years.
- 3) To note the contract values above were reflective of estimated future pipeline of material requirements and that the value may fluctuate, subject to demand. The contract could also be utilised by other public funded bodies in the Lothian region and the spend reflected a 10% increase in estimated spend to accommodate the future potential of this.

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

## 19. Homelessness Services – Use of Temporary Accommodation

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Details were outlined of the impact of the COVID-19 emergency on homelessness services whereby the Council had been required to significantly increase the amount of temporary accommodation it had to meet demand. There continued to be a demand for additional temporary accommodation to allow the Council to meet its statutory duty to accommodate people who are homeless. Approval was sought to increase the value of a previously approved waiver to address the increased demand.

### Decision

- 1) To approve through a waiver of the Council's Contract Standing Orders, to extend 10 current contracts for the provision of temporary accommodation to 31 March 2022 on a spot purchase arrangement (the affected contracts were noted in Appendix 1). This would complement the existing contracted provision and was required as a result of ongoing increased demand as a result of the COVID-19 pandemic.
- 2) To note the short-term extensions that had already been awarded to five contracts, as noted in Appendix 1 to the report. These extensions were 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 Committee.
- 3) To note that the Committee on 4 March 2021 approved a request totalling £16,149,640 and to agree to approve an additional £2,145,000, taking the total approved to £18,294,640.

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

## 20. Contract Award for Short Breaks for Disabled Children and Young People with Complex Care Needs

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A report sought approval to award a contract for Short Breaks for Disabled Children and Young People with Complex Care Needs to Action for Children to commence on 1 April 2022 for an initial period of five years with the option to extend for a further five years, at 12-month intervals.

### Decision

- 1) To approve the award of contract for Short Breaks for Disabled Children and Young People with Complex Care Needs to Action for Children.
- 2) To approve the commencement of the contract, on 1 April 2022 for a period of five years with the option to extend for a further five years, at 12-month intervals, at a total estimated cost to the City of Edinburgh Council of £3,500,000 over the maximum term of the contract. The total value of the

contract was estimated to be £11,925,000, inclusive of NHSL and Other Local Authorities' contribution.

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

## **21. Award of Framework Agreement for Thrive – A Place to Live: Provision of Visiting Support and Supported Living Services for People with Complex Mental Health Needs**

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A report sought approval to award a Framework Agreement for Visiting Support and Supported Living Services to twelve service providers.

### **Decision**

- 1) To approve the award of a Framework Agreement for Visiting Support and Supported Living Services for people with complex mental health needs to twelve service providers over two Lots.
- 2) To approve the commencement of the Framework Agreement in March 2022 for an initial period of three years, with the option to extend for a further period of three years in one-year increments.
- 3) To note the estimated value of the Framework Agreement was in the region of £11,000,000 per annum.

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

## **22. Annual Fraud Prevention and Detection Report**

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An annual report provided an overview of fraud prevention and detection activities undertaken in 2020/21.

### **Decision**

To note work by the Council on fraud prevention and detection activities during 2020/21.

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

## **23. Edinburgh Local Development Plan Action Programme 2021 – Financial Assessment**

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A report updated the Committee on the financial implications of the infrastructure set out in the Action Programme on future capital and revenue budgets, and the potential funding sources available to the Council to support this infrastructure.

## **Decision**

- 1) To note the adopted Action Programme 2021 (Appendix 1 to the report).
- 2) To note the high-level costs implications arising from the Action Programme as set out in the report.
- 3) To note the progress on prioritising the delivery of infrastructure actions arising from the Local Development Plan.

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

### **24. Balgreen Bowling Club, 137 Balgreen Road, Edinburgh – Proposed New Lease**

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Approval was sought to award a 25-year lease of the pavilion and bowling greens at 137 Balgreen Road.

#### **Decision**

To approve a new 25-year lease to Balgreen Croquet Club Limited of the pavilion and bowling greens at 137 Balgreen Road, 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.)

### **25. Saughtonhall Pavilion and Recreation Ground, Saughtonhall Avenue – Proposed New Lease**

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The pavilion and recreation ground at Saughtonhall Avenue had been leased to the local community association (or a previous iteration thereof) since 1929. A report sought approval to grant a 25-year lease to Saughtonhall Community Association on the terms and conditions outlined in the report.

#### **Decision**

To approve a 25-year lease to Saughtonhall Community Association of the pavilion and recreation ground at 22 Saughtonhall Avenue, 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.)

### **26. 3 Muirhouse Avenue, Edinburgh – Proposed New Ground Lease**

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The Muirhouse Medical Group occupied land at Muirhouse Avenue on an annual rolling lease, and had requested a longer agreement to provide security of tenure for

investment. A report sought approval to grant a 25-year lease to Muirhouse Medical Group on the terms and conditions outlined in the report.

### **Decision**

To approve a new 25-year ground lease to Muirhouse Medical Centre at 3 Muirhouse Avenue, Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

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

## **27. Land at Featherhall Avenue, Edinburgh – Proposed Disposal**

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Corstorphine Nursery Limited who owned and operated from 24 Featherhall Avenue, Edinburgh, wished to purchase an area of adjacent land extending to approximately 212 sq m. A report sought authority to sell the land to Corstorphine Nursery on the terms and conditions detailed in the report.

### **Decision**

To approve the disposal of land at Featherhall Avenue, Edinburgh to Corstorphine Nursery 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 Place, submitted.)

## **28. Balerno Community Centre, 7-11 Main Street, Balerno – Proposed Lease**

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Balerno community centre management committee sought to merge with Balerno Village Trust and enter a new lease to enable them to access grant funding for energy efficiency improvements to the building. A report sought approval for the terms and conditions for a new lease.

### **Decision**

To approve the lease of Balerno Community Centre to the Balerno Village Trust on the terms outlined in the report and other terms and conditions to be agreed by the Executive Director of Place.

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

## **29. Units 1 and 2 Assembly Rooms, George Street, Edinburgh – Proposed Lease Restructure and New Lease**

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Approval was sought of a new five-year lease of unit 2, Assembly Rooms and a restructure of the lease of unit 1.

## **Decision**

To approve a new five-year lease of Unit 2 and a restructure of the lease of Unit 1 Assembly Rooms, George Street, Edinburgh, both to Rox (UK) Limited, 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.)

## **30. Miscellaneous Debts – Write-Off**

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

The current miscellaneous debt that was outstanding and deemed uncollectable was summarised and recommended for write-off. All possible methods of recovery had been attempted and the debt remained outstanding.

## **Decision**

To agree to write-off the miscellaneous debt, in accordance with standard accounting practice.

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

## **31. Voluntary Early Release Arrangements - Chief Officers and Senior Managers**

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

A report provided details of the Voluntary Early Release Arrangement exercise which had been undertaken for Chief Officers and Senior Managers.

## **Decision**

- 1) To note that on 15 October 2020, the Council approved the use of the allocated workforce transformation reserve to support the achievement of workforce efficiencies, including the use of targeted Voluntary Early Release Arrangements exercise.
- 2) To note the final detailed position in respect of Chief Officers who had left the employ of the Council through the VERA exercise.

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

## 32. Council Commercial Property Portfolio - Update Report

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

An update was provided on the performance of the commercial property investment portfolio over financial year 2020/21, and the performance of the portfolio for the first seven months of the current financial year.

### Decision

- 1) To note the performance of the investment portfolio over financial year 2020/21 and the first seven months of 2021/22.
- 2) To note the steps to be taken by officers where tenants were accumulating significant debt through non-payment of rent.

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

## 33. System Pressures – Decisions Under Urgency

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

An update was provided on the system pressures on the Edinburgh Health and Social Care Partnership and members were advised of decisions which had been made under urgency provisions to address some of these pressures.

### Decision

- 1) To agree that care home beds were secured across internal and external capacity to support people on an interim basis, utilising the additional Scottish Government funding and recognising the assurances from the Cabinet Secretary in relation to next year's costs.
- 2) To note the risks inherent in this model and the need to also develop plans across the other areas funding was being made available for.
- 3) Given the significant and growing capacity losses in care at home to fund and progress the work with Price Waterhouse Cooper (PWC) as part of the One Edinburgh workstream under Finance and Resources urgency procedures.

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